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Consolidated Report on Activities Implemented under the Joint Programme “Local Governance Support Project: Learning and Innovation Component” in Bangladesh

Report of the Administrative Agent

Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme
<http://mptf.undp.org>

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PARTICIPATING ORGANIZATIONS



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EXECUTIVE SUMMARY

This Consolidated Report under the Joint Programme, “Local Governance Support Project: Learning and Innovation Component (LGSP-LIC)” in Bangladesh covers the period from 23 July, 2009 to 31 December 2012. This report is in fulfillment of the reporting requirements set out in the Standard Administrative Arrangement (SAA) concluded with the Contributor. In line with the Memorandum of Understanding (MOU) signed by Participating Organizations, the report is consolidated based on information, data and financial statements submitted by Participating Organizations. It is neither an evaluation of the Joint Programme nor an assessment of the performance of the Participating Organizations. The report provides the Steering Committee with a comprehensive overview of achievements and challenges associated with the Joint Programme.

The LGSP-LIC has promoted effective accountability through Ward level formal institutions, which gives the most vulnerable the possibility to have their voice heard. This resulted in the Union Parishad (UP) Act 2009 (Amended) incorporating Ward level participatory planning and open budget meetings as mandatory legal provisions after it was successfully implemented in the LGSP-LIC UPs. The LGSP-LIC has been an effective mechanism in supporting the empowerment of women. Some of the measures introduced include: 30% of UP spending must be on schemes that are proposed by women during the Ward planning process; Women Development Forums (WDF) must promote effective participation of women in local affairs; participation of women in all UP related committees and institutional bodies is mandatory.

The LGSP-LIC has demonstrated that the UP absorptive capacity is high across the country. The Performance Based Grant System (PBGS) has enhanced institutional capacity and performance at the UP level. Performance has improved faster in the LGSP-LIC UPs than in the UPs that were outside the LGSP-LIC but within the broader Local Governance Support Project. The Supplementary Block Grants (SBG) mechanism systems and processes have contributed to improve the UP capacity for effective and accountable delivery of local infrastructure and services: During the project period, 10,242 schemes (1,558 schemes funded by the Joint Programme) were implemented with active participation of local communities in the processes of need identification and prioritization, open budgeting and implementation. Labor intensive investments led to employment generation, local business development, and to some extent, poverty reduction.

LGSP-LIC UPs have a 9.3% higher expenditure level of total spending ability than non –LGSP-LIC UPs. On average, revenue collected during the three LIC years increased by 42.5% compared to those collected during the three years preceding the LGSP-LIC. The LGSP-LIC UPs have reported better availability of services: statistically significant are the services relating to maintenance of local markets, immunization, number of business establishments, registration of birth and deaths.

The Multi-Partner Trust Fund Office (MPTF Office) of the United Nations Development Programme (UNDP) serves as the Administrative Agent of the Joint Programme. The MPTF Office receives, administers and manages contributions from the Contributor, and disburses these funds to the Participating UN Organizations in accordance with the decisions of the Steering Committee. The Administrative Agent receives and consolidates the Joint Programme reports and submits it to the Steering Committee through the Resident Coordinator.

This report is presented in two parts. Part I is the Final Narrative Report and Part II is the Financial Report which covers the period as of 31 December 2012. Part I is presented in six sections. Section I provides the purpose of the Joint Programme; Section II presents an overview of resources; Section III highlights implementation and monitoring arrangements; Section IV provides an overview of the achievement of the Joint Programme and the challenges; Section V draws on lessons learned and Section VI presents the indicator based performance assessment.



PART I: FINAL NARRATIVE REPORT

Programme Title & Project Number <ul style="list-style-type: none">Programme Title: Local Governance Support Project: Learning and Innovation ComponentProgramme Number: 00055642MPTF Office Project Reference Number: 00067642	Country, Locality(s), Thematic/Priority Area(s) <p><i>Country/Region: Bangladesh</i></p> <p><i>Thematic/Priority: Democratic Governance</i></p>
Participating Organization(s) <p>UNDP UNCDF</p>	Implementing Partners <p>Local Government Division Ministry of Local Government Rural Development and Cooperatives The Government of the People's Republic of Bangladesh</p>
Joint Programme Cost (US\$) <p>JP funding (Pass-Through) from Denmark: 2,448,320</p> <p>TOTAL: USD 2,448,320</p>	Programme Duration <p>Overall Duration 30 months</p> <p>Start Date 23 July 2009</p> <p>End Date (or Revised End Date) 31 December 2011</p> <p>Operational Closure Date 31 December, 2011</p> <p>Expected Financial Closure Date</p>
Programme Assessment/Review/Mid-Term Eval. <p>Assessment/Review- if applicable <i>please attach</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Date: <i>31 December 2011</i></p> <p>Mid-Term Evaluation Report – <i>if applicable please attach</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Date: <i>September 2010</i></p>	Report Submitted By <ul style="list-style-type: none">Name: Pauline Tamesis Title: Country DirectorParticipating Organization (Lead): UNDPEmail address: pauline.tamesis@undp.org

Acronyms and abbreviations

AWP	Annual Work Plan
CAPAM	Commonwealth Association for Public Administration and Management
DANIDA	Danish Development Assistance
DC	Deputy Commissioner
DDC	District Development Committee
DDCC	District Development Coordination Committee
DDLG	Deputy Director Local Government
DF	District Facilitator
DPP	Development Project Proforma
EBG	Expanded Block Grant
EU	European Union
ERD	Economic Relations Division
LGD	Local Government Division
LGIDC	Local Governance Information and Documentation Centre
LGSP	Local Governance Support Project
LIC	Learning and Innovation Component
MC	Minimum Conditions
MDGs	Millennium Development Goals
MLGRD&C	Ministry of Local Government, Rural Development and Co-operatives
MMC	Measuring Minimum Conditions
NILG	National Institute of Local Government
NPD	National Project Director
PBG	Performance Based Block Grant
PEM	Public Expenditure Management
PM	Project Manager
REOPA	Rural Employment Opportunities for Public Assets
SBG	Supplementary Block Grant
SDC	Swiss Agency for Development and Cooperation
SLGDP	Sirajganj Local Governance Development Project
SSC	Scheme Supervision Committee
TBG	Transitional Block Grant
UCO	Upazila Cooperative Officer
UDCC	Upazila Development Coordination Committee
UFT	Union Facilitation Team
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNO	Upazila Nirbahi Officer
UP	Union Parishad
UPGP	Union Parishad Governance Project
UZGP	Upazila Parishad Governance Project
UPPC	Union Parishad Planning Committee
WDC	Ward Development Committee
WDF	Women Development Forum

1. Purpose

The Learning and Innovation Component (LIC) of the Local Governance Support Project (LGSP) aims to promote poverty reduction and MDG achievement through building the basic service delivery capacities of Union Parishads (UPs). The LGSP-LIC is an integral part of the wider LGSP – a national project to promote better local governance and local service delivery –supported by a World Bank/IDA loan. The LGSP-LIC provided substantive support in five main areas: (i) UP performance-linked financing arrangements; (ii) local public expenditure management procedures; (iii) local accountability institutions; (iv) institutional framework for UP human resource development & training; and (v) national policy development and coordination. LGSP-LIC finished field testing the successful innovations already pioneered in the UNCDF/UNDP Sirajganj project and channeled these “second generation” innovations into the national LGSP. The Local Government Division of the Ministry of Local Government, Rural Development and Cooperatives (MLGRD&C) executed the LIC as part of the LGSP. The project team was headed by the National Project Director (Joint Secretary) who covered the wider LGSP and LIC and a Focal Point for the LIC (Deputy Secretary Upazila, LGD). The project was monitored and overseen by the LIC’s Project Board within the ***LGSP’s Project Steering Committee***. The outcome and outputs of the project are given below;

Outcome: Improved Local Governance for Poverty Reduction: Capacities and partnerships developed of local governance actors for policy formulation, service delivery and resource management.

Outputs: The project has identified five key outputs which are given below;

Output 1: Increased financial resources made available to Union Parishad (UPs) in equitable & appropriate ways

Output 2: Improved public expenditure systems for UPs are developed and used

Output 3: Enhanced mechanisms for local accountability are established & implemented

Output 4: More effective framework for capacity development support is established

Output 5: Policy development is informed by lessons of programme implementation

The project outcome is related with the United Nations Development Assistance Framework (UNDAF) outcome under democratic governance thematic area which is “*The human rights of children, women, and vulnerable groups are progressively fulfilled within the foundations of strengthened democratic governance.*”

2. Resources

Financial Resources: The total budget available for programming for this Joint Programme was US\$ 2,423,837. It did not face any bottlenecks to receive funds during the reporting period.

Human Resources: The project had one National Project Director who is also the Joint Secretary of the implementing ministry and one Focal point who is the deputy secretary of the concerned ministry. However, they are not considered as project staff. The project has one Project Manager, one Monitoring and Evaluation Officer, six District Facilitators, two Finance and Administration Assistants, two Data Keepers, two Secretaries and ten drivers cum messengers. The project did not have any regular international staff.

3. Implementation and monitoring arrangements

Implementation Mechanism: This is a National Execution (NEX) Project implemented by the Local Government Division (LGD) of the Government of Bangladesh. The project team is headed by the National Project Director (Joint Secretary) who covers the wider LGSP and LIC and a Focal Point for the LIC (Deputy Secretary Upazila, LGD). The project is monitored and overseen by the *LGSP's Project Steering Committee (PSC)*. Although the LGSP's Steering Committee is scheduled to take place twice a year, it has so far taken place five times since October 2007. The final PSC meeting was held on 22 November, 2011. In addition, there is a team in charge of project quality assurance composed by UNDP and UNCDF Programme Staff based in Dhaka.

Procurement procedures: Project procurement is the responsibility of UNDP and UNCDF, as participating organizations, and UPs. Each institution follows the procurement rules as prescribed by UN standard procedures. UNDP procures local technical assistance and some service provisions, while UNCDF procures international technical assistance. In addition, the implementing agent, the Local Government Division (LGD) of the Government procures through NEX advance for project management. UPs which receive block grants as part of the LIC project conduct their procurement with these funds following the government's rules and procedures.

Monitoring: the LGD is mainly responsible for monitoring project's activities and outputs. Field activity monitoring is ensured both from the project's side with the District Facilitators and from the Local Government Division side with the Upazila Cooperative Officer (UCO) and the Deputy Director Local Government (DDLG) playing an important monitoring role. This latter function has been performed with mixed reviews as their interventions have been done on an ad-hoc basis rather than with a strategic perspective. It is also worth noting that with regards to monitoring and quality assurance, the communities themselves play a key role through the various committees they are involved in, particularly the Scheme Supervision Committee (SSC) and their level of awareness of UP affairs facilitated through the project. Women are members of the SSCs, WDCs and WDFs and can have an active role in the local development process, voice concerns or interests and promote inclusiveness.

UNDP and UNCDF teams pay regular visits to the project and perform quality monitoring and quality assurance functions with inputs into the project team for improvements or sharing of best practices. A monitoring strategy has been developed for the LGSP-LIC by a national expert to further enhance this system and has started to implement from the middle of 2010. During the reporting period, an electronic Management Information System (MIS) has been developed to capture statistics to monitor and capture progress. The MIS was installed in six LIC districts.

Evaluation and studies: UNDP and UNCDF commissioned a Final evaluation of the LGSP-LIC that was completed in December, 2011. This has provided a comprehensive assessment of the project status, lessons and achievements. The summary of assessment is given below;

Summary of key findings of Final Evaluation
(1) The Project aimed at deepening and consolidating the innovations introduced initially under the SLGDP; obviously, most of the mechanisms and processes developed and tested under the LIC arrangements proved to be effective, viable, and can be institutionalized

nationwide; and indeed, the design of the LGSP II has already benefited from the lessons learnt from LIC Project, and adopted some of its features. Also, the Project has demonstrated that UPs, if provided with adequate support, can manage increased financial resources and use them for delivering local infrastructure in a responsive, accountable manner.

(2) The performance-based grants are highly appreciated by all local stakeholders because they are predictable, directly accessible (without transiting by Upazila reducing the risk of delay and leakage as well as transaction costs), enabled UPs to deliver more than 10,000 basic infrastructure schemes, and motivating them to improve their performance in applying good governance practices in the management of public resources and responding to people's needs – contributing to enhance UP legitimacy as a local governance institution.

(3) The Project has to a large extent successfully demonstrated the feasibility and viability of a degree of fiscal decentralization to the Union Parishad level and has created a space for national policy changes as attested by the enactment of the LG Act in 2009, and the scaling up nationwide (LGSP and LGSP II) of the funding modalities of the Project.

(4) Infrastructure schemes funded from the Project grants contributed to improving to some extent the living conditions of local communities as construction of rural roads and paths did facilitate communication and access to other services such as schools and health facilities or markets; also, UP investment did provide employment and business opportunities for local manpower and contractors.

(5) The above achievements could be taken a step further in the future if the Government were to engage a comprehensive national decentralization policy - to be built around the following pillars: (i) Architecture of the decentralization system (tiers of local government); (ii) Development of a legal framework for the establishment and functioning of local governments; (iii) Clear definition of the role and functions of each level of government; (iv) Assignment of revenue sources to each tier of local government (both own-source revenue and fiscal transfers) commensurate with the scope of their respective assigned functions; (v) Assignment of adequate human and other resource to each level of government to enable them function effectively; (vi) Design and deployment of a national programme to develop institutional and technical capacities of local governments; and (vii) Assignment of clear responsibilities for driving the policy and overseeing its implementation to a dedicated government agency within a clearly defined timeframe.

(6) Meanwhile, and until such policy is agreed and implemented and building on the experience gained under the SLGSP and the LGSP-LIC, there are room for further improvements to the local government system, including for instance:

- Enabling Union Parishads to fulfill their mandates under the Local Government Act 2009, and in particular, in respect of the provision of sectoral services in the areas of agriculture, education and health (piloting sectoral block grants)
- Developing and applying a mechanism to monitor and measure the UP performance in targeting the poor and vulnerable communities.
- Developing innovative funding mechanisms for UP capacity building in the areas of generic local good governance and technical skills for effective planning and delivery of sectoral services

The LIC facilitated the following field study / survey / reports during the implementation period:

Name of Study	Objective	Remarks
Study to identify trends of UP revenue mobilization (2011)	Identify trends of UP Revenue, challenges and potentials to increase local revenue & to recommend GOB for intervention	Survey report shared, presented with concern stakeholders including Finance Division, Planning Commission, and submitted to LGD.
Planning & Budgeting Guideline for UP (2011)	User friendly planning and budgeting guideline for UP for better service delivery	Draft planning guideline prepared, presented, shared with concern stakeholders and submitted to LGD.
Gender policy strategy for UP Women Members (2011)	To empower the UP Women members to perform responsibilities	Survey report shared, presented to the Ministry of Women and Children Affairs, Prime Minister's Office, Planning Commission, Economic Relations Division and submitted to LGD.
UP Model Tax Schedule, 2011	To update the UP tax schedule to increase local revenue and motivate people	UP Model Tax Schedule drafted, presented and shared with concern stakeholders and submitted to LGD.
Manual for UNOs & DDLGs (2011)	Specified roles of UNOs and DDLGs to facilitate for local service delivery	Draft manual submitted to LGD.
UP Fund flow study (2011)	To develop an unified fiscal transfer system	Study findings accommodated in the new UPGP/UZGP projects.
Study on the Assessment of Performance of Union Facilitation Team (UFT) (2011)	identify UFT performance and supporting their role to UPs	Study report, presented and submitted to LGD
Study on results of use of supplementary block grants (SBG) provided to UPs (2011)	identify the outcomes/impacts of use of block grants	Study report presented, shared and submitted to LGD
WDF Registration with its Constitution (2011)	WDF registration in process	Study report shared, presented and submitted to LGD
Gap Analysis on UP Act, 2009 (2011)	identify the gap of UP Act, 2009	Study report presented in a national workshop, and submitted to LGD
Role of line agencies in UPs service delivery (2011)	identify the role of line agencies to work with LGIs to improve service delivery	Study report presented, shared in a workshop and submitted to LGD
Assessment of Performance Grants in LGSP-LIC (2011)	develop performance based grant system	GOB has adopted

Name of Study	Objective	Remarks
M&E Framework for LGD wing (2011)	Improve capacity of MIE Wing and develop a sound M&E mechanism for LGIs	Study report shared, presented in a workshop and submitted to LGD
Women's Participation in Local Development in the LIC Districts in Bangladesh (2009)	Assessing the scope of participation of women in local government under the existing legal framework	The study report was released in a national workshop.
LEARNINGS OF LGSP-LIC (2009)	The overall objective of the assignment is to document and dissemination/sharing of the learning generated through the LIC activities.	The study report was released in a national workshop.
<i>Framework for a Piloting of UP Revenue Mobilization Strategy</i> (2010)	To examine and analyze current UP revenue assignments with a view to identifying possible and appropriate increases in their revenue base	The study report was released in a national workshop.
Review of Procurement Practice in the Bangladesh Local Government Support Programme – Learning and Innovation Component (2010)	A review of the procurement regulations and processes; A review of implementation of the local procurement processes;	Study report shared, presented in a workshop and submitted to LGD
Report on learning and innovations from LGSP-LIC project (2010)	This report captures the learning of LGSP-LIC in a strategic manner. Learning, innovations and good practices have been backed by field based evidences. Both positive and negative learning experiences have been documented and practical recommendations for their replication and scalability have been included in the report. Unintended positive learning's have also been captured	Study report shared, presented in a workshop and submitted to LGD

The Administrative Agent

Participating Organizations have appointed the UNDP MPTF Office to serve as their Administrative Agent (AA) for this Joint Programme. The AA is responsible for a range of fund management services, including: (a) receipt, administration and management of contributions; (b) transfer of funds approved by this Joint Programme to Participating Organizations; (c) Consolidation of statements and reports, based on submissions provided to the AA by each Participating UN Organization; (d) synthesis and consolidation of the individual annual narrative and financial progress reports submitted by each Participating Organization for submission to

contributors through the Steering Committee. Transparency and accountability of this Joint Programme operation is made available through the Joint Programme website of the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/JBD00>.

4. Results

The LGSP-LIC has achieved significant results at the end of the project and implemented almost all the planned activities. All the activities have been implemented by maintaining high quality, standard, appropriate process and procedure involving local community with bottom up approach. During the reporting period, the project has implemented more than 10,000 small scale development schemes at rural level focusing on the MDGs and poverty alleviation.

The project has facilitated organizing several (5) meetings of the Project Steering Committee (PSC) the top policymaking body of the project and, 8 meetings of the Project Executive Group (PEG), the management body of the project. Other management events included monthly and periodic meetings, national workshops, Journalistic Award giving event for media reporting of Local Governance/LIC, annual progress reviews and planning meetings, an international training course on Fiscal Decentralization, and several study tour and trainings to the Philippines, Thailand, and Netherlands.

The project also facilitated 18 field studies/survey/research and two video documentations, and produced 5 types of IEC materials focusing on local governance, decentralization and to improve of basic service delivery to citizens. In addition to that, the LGSP-LIC has conducted a number of training courses for local elected bodies including newly elected UP Representatives on UP Acts, financial management, project management, training for village police, Ward Shava, WDF (as elected UP Women members) including communities and different committees i.e. SSC, WDC, UPPC to improve their capacity and confidence. These trainings helped the local functionaries to discharge their responsibilities effectively.

During the reporting period, the project has successfully achieved its all 5 key results –formulated UP Rules and Regulations, formulated New UP Model Tax Schedule based on the LGSP-LIC piloting, established MDGs focused Planning and Budgetary Framework for Union Parishad, established an effective M&E Framework for Local Government Division and finally developed Policy Strategy for UP Women Member (reserved seat).

The Key activities/outputs and achievements (data & information) of the LGSP-LIC during the reporting period are as follows:-

- The project has directly disbursed to 362 UP accounts a total of 690.9 million BDT (\$9.60) million as per 1\$=72 BDT) as Block Grant (SBG, PBG and TBG) (USD 1,755,583 has been disbursed from Joint Programme)
- 135.69 million people have been benefited from 10242 small scale schemes.
- It has developed the UP revenue mobilization strategy and two training manuals on tax assessment, collection, exploration of new sources and tax administration and 5 (five) manuals developed on different issues such as planning, budgeting, scheme implementation, monitoring and supervision, TOT etc.
- A comprehensive UP planning and budgeting guideline has been developed for UPs
- Project directly disbursed 33.11 million BDT to 388 Union Parishads as UP Physical Support Grant for purchasing furniture and necessary equipment.

- Conducted 6 District level training for district/upazila administration, UP Chairman, key line departments on “How to organize ward shova/meeting at ward level.
- 388 newly elected UP Chairman have been trained on UP Acts/Rules, Development Projects and Financial Management.
- 5044 elected UP representatives and 3492 member of Union Parishad Facilitation Team (UFT) received training on different issues such as participatory planning & budgeting, scheme selection, implementation, monitoring and supervision, Financial Management, procurement including how to facilitate and organized ward shova/meeting.
- 5044 newly elected UP representatives received training on UP Act, Rules and Responsibilities.
- 388 UP Chairman and 388 UP Secretaries received training on basic Computer Skills.
- 3492 WDC, 3492 SSC, 388 UPPC Committees were organized through 3492 ward level meetings.
- 24444 WDC, SSC and 388 UPPC members received basic and refresher’s training on how to organize and facilitate the ward and para level participatory planning meeting and how to monitor and ensure the quality of scheme implementation through 1164 batches.
- 3492 UFT members received basic TOT and Refresher’s training on project M&E strategy.
- Facilitated organizing 656 Block Grant Coordination Committee (BGCC) meetings held at upazila level for learning and best practices sharing and for reducing/avoiding duplications.
- A user friendly UP accounting software has been developed and approved for installing in Union Parishad’s to better manage UP accounting.
- 1164 WDF members received training on different issues such as leadership, human rights and Stop Violence against Women (SVAW). The training included 15days vocational training.
- 41 Women Development Forum (WDF) have initiated the process of getting registered with the Ministry of Women and Children Affairs with a comprehensive constitution.
- A full-fledged Union Parishad Model Tax Schedule-2011 has been developed on the basis of lessons learned from a 30 union revenue mobilization pilot and as supplement to the Local Government (Union Parishad) Act, 2009. This will be proposed to the government for formal enactment/order as law
- 388 billboard at UP level and 25 billboard at Upazila Parishad premises have been installed for motivating citizen to pay tax to UPs to link with basic services delivery.
- 388 billboard have been installed at UP level focusing on 39 UP Functions to make citizens aware about roles and responsibilities of Union Parishad.
- 3880 Village Police received training in 99 batches on vocational skill including roles and responsibility and control law and order situation 4 UP Rules and Regulations have been formulated for implementation of the Local Government (Union Parishad) Act, 2009.
- A number of policy studies have been carried out and papers produced. They are :
 - UP Revenue Mobilization Strategy,
 - UP Basic Service Delivery to Citizen,
 - Role of Line Agencies in UP Service Delivery, Gap Analysis of Local Government (Union Parishad) Act, 2009,
 - Review of Performance Grants System of LGSP-LIC,

- Key Learning and Innovations,
- Gender Policy Strategy for UP Women Member (Reserved Seat) etc.
- Developed project monitoring and evaluation strategy and collected related data as suggested in this strategy. An MIS System has also been developed as part of this strategy for ensuring quality of data management.
- Facilitated in formulating three new projects to be implemented by the Local Government Division namely: “Union Parishad Governance Project” (UPGP), “Upazila Parishad Governance Project” (UZGP) and “Second Local Governance Support Project” (LGSP-II) based on the LIC learning, innovation and best practices.

The overall key results of this project are presented below under the five outputs:

Output 1: Increased financial resources made available to Union Parishad (UPs) in equitable & appropriate ways

690.9 million BDT million BDT was disbursed to 362 Union Parishads in the form of Supplementary Block Grants (SBG), Performance Block Grants (PBG) and Transitional Block Grants (TBG) in addition to government's Basic Block Grants (BBG) and World Bank's Extended Block Grants (EBG).

The LGSP-LIC has demonstrated that UP absorptive capacity is high across the country

The "absorptive capacity" lesson is reflected in the LGDSP II design as follows:

The size of Block Grants to be provided by the project to all UPs is higher than it was under LGSP – starting at Tk 1.1 million in year 1 (2012) to reach Tk 1.8 million in year 5 (2016), i.e. by 12% every year.

*Mainstreaming LIC Lessons into LGSP II

Performance Based Grant System (PBGS) in general has enhanced institutional capacity and performance at the UP level and performance has improved faster in the LGSP-LIC UPs than in the "control group". Some of the core results are:

- Average performance has improved from 2007 to 2010 by an average 32% in the LIC-UPs
- Average performance in the LIC-UPs is 58% above the non –LIC UPs
- Performance has improved significantly in the sampled UPs in 3 performance areas (Operation of Committees/Office functioning, Gender Performance and Planning, Budgeting and PFM).
- The performance of the sampled LIC UPs was above the non-LIC.
- Most UPs found that the system has a high or moderate impact on the performance in the 5 core areas of performance.

*Final Report on the Assessment of the LGSP_LIC Performance-Based Grant System – PBGS
Ministry of Local Government, Rural Development and Co-operatives

Output 2: Improved public expenditure systems for UPs are developed and used

The SBG pilot has stimulated an increase of fiscal transfers (block grants) from the central governments to all UPs. The SBG mechanism systems and processes have contributed to improve the UP capacity for effective and accountable delivery of local infrastructure and services: more than 10,000 schemes were implemented with active participation of local communities in the processes of need identification and prioritization, open budgeting and implementation of schemes. Labor intensive investments lead to employment generation and local business development, and to some extent, to poverty reduction.

The key Results are highlighted below:

- LIC UPs have higher expenditure level of total spending ability than non –LIC
9.3% higher growth in spending than non-LIC UPs
Poorer UPs registered higher spending growth (signs of convergence)
Expenditure growth has been higher in areas with better education, implying the possible presence of the factor of "good leadership".
- LIC UPs has a higher level of development spending ability than non LIC and higher resource absorption capacity
Development expenditure grew by 21% during 2007-2010 compared with 9% of overall spending.
- LIC UPs have higher level of total revenue than non-LIC and higher growth rate in own revenue (2007-2011)
In most cases, LIC UPs have reported better availability of services: statistically significant are the services

relating to maintenance of local markets, immunization, number of business establishments, registration of birth and deaths (only available in LIC).

*Study on results of use of supplementary block grants (SBG) provided to UPs.
Sen, Hossain, Tahrima, BIDS.

Output 3: Enhanced mechanisms for local accountability are established & implemented

LIC has promoted an effective form of accountability through the Ward level formal institution which gives the weak (poor, women, vulnerable) the possibility to make their voice heard.

- Institutional and operational arrangements for the implementation of the UP investments contributed to enhancing participation and ownership, resulting in cost-effective, better quality schemes.
- LG UP act 2009 (amended) has incorporated Ward level participatory planning as a mandatory legal provision after it was successfully implemented in LIC UPs.
- Provision of open budget meeting was also incorporated into the LG UP Act 2009 (amended).
- Introduction of modalities like “family cards” to record services received by each family along with information on taxes paid. The card, originally designed as a tax record document has become a sort of social security document, with the introduction of the registration of services received by families.
- Increased participation and empowerment of local communities in the local decision making processes (ward planning, budget and scheme supervision meetings in particular) have raised the level of transparency and accountability on the part of elected officials, and as a result, UPs regained the trust of the community.
- LIC has been an effective mechanism in supporting the empowerment of women. Some of the measures introduced are as follows: 30% of UP spending must be on schemes that are proposed by women during the Ward planning process; the women development forum (WDF) promote effective participation of women in local affairs; mandatory participation of women in all UP related committees and institutional bodies in which they hold effective responsibility;

*Final Report on the Assessment of the LGSP_LIC Performance-Based Grant System – PBGS
Stefferson, Monem, Hossain

*Mainstreaming LIC Lessons into LGSP II

Output 4: More effective framework for capacity development support is established

Building Capacity of the UP was the primary goal of the project. The project has developed local capacities in the area of participatory local needs assessments and prioritization, transparent resources allocation, scheme design and implementation, and financial accountability. It has introduced several innovations which can be replicated on a nation-wide scale. The following are capacity building activities which have taken place during the reporting period :

- Conducted 6 District level training for district/upazila administration, UP Chairman, key line department on “How to organize ward shova meeting at ward level.
- 388 newly elected UP Chairman trained on UP Acts/Rules, Development Projects and Financial Management in 6 batches at 6 Districts Level.
- 5044 newly elected UP representatives and 3492 Union Parishad Facilitation Team (UFT) received training on how to facilitate and organize ward shova/meeting
- 5,044 newly elected UP representatives received training on UP Act, Rules and Responsibilities.
- 388 UP Chairman and 388 UP Secretaries received training on basic Computer Skill development.
- 24,444 WDC, SSC and 388 UPPC members received the refresher’s training on how to organize and facilitate the ward and para level participatory planning meeting and how to monitor and ensure the quality of scheme

implementation through 1164 batches.

- 2,376 UFT members received refresher's training on project M&E strategy and 1116 UFT members received TOT during the reporting period.
- 1,100 WDF members received training on Leadership Development, Human Right and Stop Violence Against Women (SVAW).
- 3,880 Village Police received training on their basic roles and responsibility.

Output 5: Policy development is informed by lessons of programme implementation

The Project had an impact on the development of the local government policy and legal framework to the extent that the UP Local Government Act-2009 adopted some of the features and innovations from the LIC:

- Local Government UP Act 2009 (amended) has incorporated ward level participatory planning as a mandatory legal provision after it was successfully implemented in LIC unions.
- Provision of open budget meeting was also incorporated into the Local Government UP Act 2009 (amended).
- The Government has issued a new tax schedule based on the results of the LGSP-LIC
- 14 UP Rules and Regulations formulated based on Local Government UP Act 2009 which operationalize the UPs effectively and improve its capacity, authority and management for better service delivery.

*Final Report on the Assessment of the LGSP_LIC Performance-Based Grant System – PBGS
Stefferson, Monem, Hossain

Challenges

The Project encountered several challenges during the implementation time. These included administrative, political and climate related issues:

- The Six-months long UP election, in 2011, was one of the most difficult challenges faced by the project. It caused delays in implementing many activities. To overcome the problem, the project management prioritized the implementation of those activities not directly involving the UP elected functionaries, such as organizing trainings for UFTs and village police.
- Frequent transfer/changes of DDLGs and UCOs affected the smooth functioning of the project in earlier years of the project. The Local Government Division intervened posting a permanent DDLG in the last year of the LGSP-LIC project; similarly UCOs were retained until the end of the project.
- Lack of any direct incentives affected the motivation of some functionaries like DC, UNO, and DDLG who played their role inadequately. –However, project related activities were included in their regular activities by the Local Government Division. This helped in implementation of planned activities. Also, government officials received subsistence and other allowances as per National Execution (NEX) modality as per government rules.
- Project Staff turnover was a challenging issue. The post of Project Manager was vacant for more than six months. Roles and responsibilities of the project manager were performed by other project staff during that specific time. Consequently, various project activities were delayed. One District Facilitator resigned from the project that also affected the project delivery in the respective district.

Senior government official like the focal point of the project dedicated additional time in the absence of the Project Manager. Dhaka based project staff supervised by frequent field visit in the absence of a District Facilitator.

- A cyclone in the costal districts hampered the implementation of small scale scheme and affected the end results and quality. To some extent the affected results were mitigated by the fact that resources specifically budgeted for scheme maintenance were available in the UP budgets and could be used to repair many infrastructural schemes after the cyclone.

Partnerships: The project was implemented by the Ministry of Local Government, Rural Development and Co-operatives (MLGRD&C) through its Local Government Division (LGD), with whom the project team worked in an integrated manner on a daily bases. The LGD has provided strong support to the project from the inception describing UNDP&UNCDF as long-term trusted partners.

With regards to decentralization, the GoB has had a set vision and plan. Expectations have not always fully matched, however, the LGD and the project worked in a constructive manner together and the project ensured bringing positive change in the lives of rural people in Bangladesh. The project team adopted a patient and strategic positioning with regards to its government counterparts as the best way to guide the LGD through a successful implementation of the LIC. Decentralization is and has been a sensitive issue for the central government functionaries and political leaders, although they welcomed the project's initiative and disbursed block grants directly to rural communities through UPs.

The project had a very good relationship with the Union Parishads in the 6 LIC districts. They have welcomed the LGSP-LIC initiative as a mean to strengthen their capacity to provide better public service to their constituencies. UPs collaborated very closely with the project and demonstrated high levels of commitment to the successful achievement of the LIC implementation. The presence of the project's District Facilitators and regular monitoring visits from the team in Dhaka (both the project team as well as UNDP & UNCDF teams) have greatly contributed to establishing a trusting relationship.

The relationship with other levels of Local Government such as the Upazila and District levels was also good and cooperative. Support and tacit engagement of the other local government Institutions (LGIs) were required mostly for monitoring, supervision, coordination and capacity building initiatives. As the direct impact of the action at these levels was less tangible, such relationship required higher levels of strategic positioning and patience.

UNDP & UNCDF have maintained a very strong relationship with development partners such as the EC and DANIDA and have maintained regular communication and kept them updated on relevant project activities. The Local Consultative Group (LCG), mainly attended by development partners, was used as a platform for wider dissemination of good practices of the project, while this platform has enabled to coordinate with other contributor funded projects related to local governance.

UNDP & UNCDF were closely engaged with the LGSP, the World Bank supported nationwide programme, and the LIC was one of the six components of this programme. Coordination and knowledge transfer took place in a continued basis. A common operational manual was developed and used for both the LSGP and LIC districts. In addition, the project developed innovative tools, mechanism that ensured participation of the commune and resulted in inclusive participatory planning, open budgeting, and particularly, women's participation and leadership in local governance. Based on the lessons learnt, the World Bank is considering introducing performance grants in their next generation LGSP2 programme, as indicated, this has been piloted

in LIC districts. In the LIC, UP revenue mobilization was considered as a success, hence, the World Bank is also interested to upscale this initiative through LGSP2.

The project liaised with the Rural Employment Opportunity for Public Assets (REOPA) project and ensured that the information on good practices was shared. This was important since REOPA was funded by EC and implemented by UNDP, and moreover, the geographical area of the LIC and REOPA was the same and the target beneficiary of REOPA covered within the LIC districts. Hence, coordination and communication were ensured at both, central and field level.

5. Lessons learnt

The LGSP is an institutional model to reinvigorate the UP at the grass root level towards the establishment of good governance. While manifold lessons have emerged the central focus remains on the strategic importance of the LIC project. How its design and procedures infused dynamism and changed the scenario of an almost stagnant phenomenon should be a major focus of the relevant analysis.

The LIC has introduced a number of institutional organs such as WDC, SSC, UPPC or the UFT which proved to be enhancing the effectiveness of UP by infusing the principle of community participation ranging from scheme identification to effective implementation. Such innovations have been recognized as pragmatic ones. UPs made best use of their technical expertise in scheme design and construction and, in cases, in the management of service facilities, through sub-contracting. UP proved an important catalyst to facilitate local development. Lack of transparency or accountability known to characterize UP could be modified by virtue of community participation at different stages of developmental intervention, showed by LIC. It also builds ownership of the community of UP activities.

It in turn testifies that the community volunteers its valuable time and effort if there is reciprocal benefit in the process. Similarly open budget session contributed to the establishment of accountability. The LIC innovations significantly contributed to the improvement of the quality of schemes by ensuring optimal expenditure stipulated in the budget for a scheme. Close supervision of SSC is a key to such achievement. In the LIC structure WDC is an important institution. It is entrusted with the task of choosing schemes and through SSC community oversees the implementation. To ensure the effectiveness of WDC, quarterly meeting proved to be useful mechanism.

Para or neighborhood is the lowest informal entity that provides social control in rural Bangladesh through *samaj* or the spirit of corporate hood. In course of innovation it proved that to ensure attention to the need of the community the efficacy of *para* meeting could be remarkable. Rigid planning from above may hinder the optimal benefits of a scheme, which could be overcome by integrating local ideas. Pre-condition for the tapping of local ideas is the freedom for decision making that has been promoted by WDC or *para* meeting. The LIC encouraged different modalities (e.g., for the free flow of information and it is found that such transparency is essential to build trust of the community. The LGSP-LIC has also brought the opportunity for forging partnership in support of local governance in Bangladesh.

6. Indicator based performance assessment

	Performance Indicators	Indicator Baselines	Planned Indicator Targets	Achieved Indicator Targets	Reasons for Variance (if any)	Source of Verification	Comments (if any)
Outcome 1 Increased financial resources are made available to UPs in equitable and appropriate ways							
Indicator 1.1.	Predictable formula based allocation mechanism developed		a) Guidelines developed for ADP funding to UPs as block grant for 6 pilot districts (2007)	Developed and being implemented		Progress report	
Indicator 1.2	Increased discretionary funding		b) Performance assessment arrangements established and assessment teams trained	The UPs are now getting Supplementary Block Grants (SBG) which are bigger in size than the money UPs used to get earlier.		Progress report Government Circular	
Indicator 1.3	Timely flow of funds		c) Performance assessments undertaken in a satisfactory and timely manner each year for all UPs in the 6 Districts	Funds for LIC has been disbursed timely		Progress report	
Indicator 1.4	Procedures for incentivising Union Parishads performance improvement institutionalized		d) UPs qualify for performance funding in increasing numbers from year to year: 40%-60%-75%-	Procedure developed		Performance Grant Manual	
Indicator 1.5	No of schemes implemented by UPs			10,000 Schemes have been implemented		Scheme lists	

	Performance Indicators	Indicator Baselines	Planned Indicator Targets	Achieved Indicator Targets	Reasons for Variance (if any)	Source of Verification	Comments (if any)
Indicator 1.6	Improved revenue collection by UPs		85% e) GoB adopts the performance-based methodology for UP funding nationwide f) Other funding agencies cost-share and/or replicate the performance-based funding approach. g) Average annual increase of own revenue collection in all UPs 25%	UPs revenue collection is improving gradually in LIC areas		Study report Mid-term/Final Evaluation report	
Outcome 2 Improved public expenditure systems for local government institutions (UPs) are developed and used							
Indicator 2.1	UP prepared pro poor and gender sensitive 5 year Development Plans and annual action plans and budgets		a. Planning & Implementation guidelines developed and disseminated (2007) b. Participatory planning operational in 30% of UPs in 2007 increasing to 100% by	All UPs which are getting fund from LIC have developed pro-poor and gender sensitive budget.		UP plan	
Indicator 2.2	Special budgetary allocation for addressing			Budget for women development has been allocated. 1,100 women received training on leadership and violence		Scheme list Progress report	

	Performance Indicators	Indicator Baselines	Planned Indicator Targets	Achieved Indicator Targets	Reasons for Variance (if any)	Source of Verification	Comments (if any)
	vulnerability and gender		2010.	against women.			
Indicator 2.3	Improved procurement practices		c. All plans include provision for O&M and 30% of schemes are exclusively identified by women's groups (2007+)	As community people are engaged in implementation, the procurement practices have been improved and misuse has been reduced.		Mid-term/Final Evaluation report	
Indicator 2.4	Effective Scheme implementation system in place		d. Tendering undertaken at UP level and threshold for tendering increased to T100,000 (2007+)	The schemes which are being implemented under LGSP-LIC maintaining a sound system where community people are taking part.		Mid-term/Final Evaluation report	
Indicator 2.5	UDCCs technically coordinate UP plans		e. Scheme Supervision Committees operational for 100% of all works (2007+)	Instead of UDCCs, BGCC (Block Grant Coordinator Committee) are coordinating UPs plan.		Mid-term/Final Evaluation report	
Indicator 2.6	UP budgetary provision for O&M		f. Weatherproof notice boards covering 100% of schemes modified to include O&M requirements	It has been advocated to allocate some budget from UPs for maintenance of the schemes developed under LIC		Mid-term/Final Evaluation report Progress report	
Indicator 2.7	Timely technical support from Upazila (LGED) for technical design and certification of works		g. Development of guidelines to	UPs are getting technical support from LGED for designing the schemes. However, there are some bottlenecks which have been observed in this regard. Consequently, a study to identify bottlenecks to get LGED support has been		Mid-term/Final Evaluation report Progress report	

	Performance Indicators	Indicator Baselines	Planned Indicator Targets	Achieved Indicator Targets	Reasons for Variance (if any)	Source of Verification	Comments (if any)
			DDLG and UNOs for UP supervision, mentoring and internal audit (2007)	conducted and launched.			
Indicator 2.8	Upazila (UCO) giving support for community mobilization at Union and ward levels		<p>h. Reduction of waiting time for in LGED approvals and design reduced by 30% (2007),</p> <p>i. UCO support UFTs and UPs in 30% of UPs (2007) gradually increasing</p>	UCOs are actively involved in community mobilization.		<p>Final Evaluation report</p> <p>Progress report</p>	
Outcome 3 Enhanced mechanisms for local accountability are established and implemented							
Indicator 3.1.	Public dissemination of UP budgets, accounts and scheme implementation arrangements		<p>a. Dissemination of UP budgets and accounts in 30% of UPs in 2006-7 increasing to 100% by 2010</p> <p>b. Scheme notice-boards erected for all UP-funded projects (2009)</p>	UPs in LIC areas are announcing their budget through open budget meeting. Information on schemes are available near each scheme in LIC areas.		<p>Mid-term/Final Evaluation report</p> <p>Progress report</p>	
Indicator 3.2	Regular feedback to Ward constituents by		c. Regular	UPs in LIC areas are announcing their budget through open budget meeting.		Mid-term/Final Evaluation report	

	Performance Indicators	Indicator Baselines	Planned Indicator Targets	Achieved Indicator Targets	Reasons for Variance (if any)	Source of Verification	Comments (if any)
	UP members		(quarterly) Ward meetings facilitated by UP members in	Information on schemes are available near each scheme in LIC areas.		Progress report	
Indicator 3.3	UP standing committees interact on a regular basis with line departments		Xx% of UPs (2009) d. Xx% of UP standing committees meet on a regular basis with relevant line departments	During scheme implementations, UP standing committees are interacting with line department. However, effectiveness of UP standing committees are not remarkable.		Mid-term/Final Evaluation report Progress report	
Indicator 3.4	Upazila level fora for UP Chairmen monitor service delivery		e. Xx% of UP Chairmen Fora meet on a regular basis with line departments	UP chairmen of each upazila are holding quarterly learning sharing meeting.		Mid-term/Final Evaluation report Progress report	
Indicator 3.5	UP women members' fora interact with line departments on service delivery issues		f. Xx% of UP women members' fora meet on a regular basis with line departments (2009)	UP Women Development Forum are working with line departments for improving service delivery.		Mid-term/Final Evaluation report Progress report	
Outcome 4 More effective framework for capacity development support is established							

	Performance Indicators	Indicator Baselines	Planned Indicator Targets	Achieved Indicator Targets	Reasons for Variance (if any)	Source of Verification	Comments (if any)
Indicator 4.1	Strategy for LG Training		a. Strategy developed on LG Training, TNA procedures involving UPs, funding mechanisms, oversight, M&E and QA (2007)	No progress so far.	Another development partner has started working in this area, LIC will work in another area.		
Indicator 4.2	Strategy for NILG capacity enhancement		b. Strategic plan for capacity enhancement of NILG (2007) c. XX NILG and DLG staff with skills and experiences in HRD for autonomous LGs (2007+)	No progress.	Another development partner has started working in this area, LIC will work in another area.		
Indicator 4.3	Standard training modules		d. Xx Standard training modules reviewed and improved as appropriate for TOT delivery and responding to LG demands	Modules for WDF members on leadership and violence against women developed in 2011.		Training manual	
Indicator 4.4	UPs planning and financing own capacity building		e. Procedures developed and implemented	Some training modules for LIC have been developed and which have been revised in 2010 which are being used in six LIC districts.		Mid-term/Final Evaluation report Progress report	
Indicator 4.5	Training evaluations			As a whole, training evaluations have not been conducted. But Mid-Term Evaluations/Final evaluation has		Mid-term/Final Evaluation report Progress report	

	Performance Indicators	Indicator Baselines	Planned Indicator Targets	Achieved Indicator Targets	Reasons for Variance (if any)	Source of Verification	Comments (if any)
			<p>for UP demand led training funded through share of block grant (2008)</p> <p>f. UPs plan and budget for training and other capacity building (xx UPs implement own funded capacity building 2008+)</p> <p>g. Training evaluation mechanisms developed and implemented (2008+)</p>	identified the loopholes of all training.			
Outcome 5 Policy development is informed by lessons of programme implementation							
Indicator 5.1	Improved legal and regulatory framework for UPs		<p>a. Block grant regulations (2007),</p> <p>b. UP Procurement Regulations 2007),</p>	UP Act 2009 has been passed by the Parliament which incorporated learning from project such as holding Ward Shava, open budget, publishing citizen's charter and so on.		<p>Mid-term/Final Evaluation report</p> <p>Progress report</p>	
Indicator 5.2	Documented experiences of UP block		c. Research findings on UP block grant	A lessons learnt report has been finalized and will be shared through		Mid-term/Final Evaluation report	

	Performance Indicators	Indicator Baselines	Planned Indicator Targets	Achieved Indicator Targets	Reasons for Variance (if any)	Source of Verification	Comments (if any)
	grant funding		funding (2007+)	a national workshop to mainstream LIC learning.		Progress report	
Indicator 5.3	Proposals for refined policy, legal and regulatory framework		d. Proposals for refined policy, legal and regulatory framework for UPs (2008+)	Rules for UPs have been formulated and will be approved in 2011.		UP rules (Drfat)	
Indicator 5.4	MIE Wing with reliable UP performance data		e. Gender strategy for LG f. Adequate LGD/MIE database on Xx% of UPs	MIE Wing is collecting data from UPs quarterly basis on their performance.		Mid-term/Final Evaluation report Progress report	
Indicator 5.5	DDLG performing LG MIE effectively		g. Establish knowledge networking with UNDP regional centres	DDLG in six LIC districts are monitoring LGSP activities.		Mid-term/Final Evaluation report Progress report	
Indicator 5.6	Sharing GOB policy papers on LG with the region through the UNDP regional centres			UNDP Regional centers are getting updates on LG issues for Bangladesh.			

PART II: FINANCIAL REPORT AS OF 31 DECEMBER 2012

FINANCIAL REPORT

This chapter presents financial data¹ and analysis of the Joint Programme as of 31 December 2012. Financial information is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/JBD00>.

1. Sources and Uses of Funds

As of 31 December 2012, the Government of Denmark has deposited US\$ 2,448,320 and US\$ 86,904 has been earned in interest, bringing the cumulative source of funds to US\$ 2,535,224. Of this amount, US\$ 2,423,837 has been transferred to two Participating Organizations of which US\$ 2,423,585 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 24,483. Table 1.1 provides an overview of the overall sources, uses, and balance of the Joint Programme funds as of 31 December 2012.

Table 1.1. Financial Overview (in US Dollars)

	Prior Years as of 31-Dec-11	Current Year Jan-Dec 2012	TOTAL
Sources of Funds			
Gross Contributions	2,448,320	-	2,448,320
Fund Earned Interest and Investment Income	76,110	502	76,612
Interest Income received from Participating Organizations	7,588	2,704	10,292
Refunds by Administrative Agent to Contributors	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	2,532,019	3,206	2,535,224
Uses of Funds			
Transfer to Participating Organizations	2,423,837	-	2,423,837
Refunds received from Participating Organizations	-	-	-
Net Funded Amount to Participating Organizations	2,423,837	-	2,423,837
Administrative Agent Fees	24,483	-	24,483
Direct Costs (Steering Committee, Secretariat...)	-	-	-
Bank Charges	70	4	74
Other Expenditures	-	-	-
Total: Uses of Funds	2,448,391	4	2,448,394
Balance of Funds Available with Administrative Agent	83,628	3,202	86,830
Net Funded Amount to Participating Organizations	2,423,837	-	2,423,837
Participating Organizations' Expenditure	2,427,441	(3,856)	2,423,585
Balance of Funds with Participating Organizations	(3,604)	3,856	252

¹ Due to rounding, total in the tables may not add up.

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent ('Fund earned interest'), and 2) on the balance of funds held by the Participating Organizations ('Agency earned interest') where their Financial Regulations and Rules do not prohibit the return of interest. As of 31 December 2012, Fund earned interest amounts to US\$ 76,612 and interest received from UNDP amounts to US\$ 10,292, bringing the cumulative interest received to US\$ 86,904. Details are shown in the table below.

Table 1.2. Sources of Interest and Investment Income (in US dollars)

	Prior Years as of 31-Dec-11	Current Year Jan-Dec 2012	TOTAL
Administrative Agent			
Fund Earned Interest and Investment Income	76,110	502	76,612
Total: Fund Earned Interest and Investment Income	76,110	502	76,612
Participating Organization (PO) Earned Interest Income			
UNCDF	-	-	-
UNDP	7,588	2,704	10,292
Total: Interest Income received from PO	7,588	2,704	10,292
Total	83,699	3,206	86,904

2. Contributions

Table 2 provides information on cumulative contributions received from the Government of Denmark as at 31 December 2012.

Table 2. Contributions (in US dollars)

Contributor	Prior Years as of	Current Year Jan-Dec 2012	TOTAL
	31-Dec-11		
Government of Denmark	2,448,320	-	2,448,320
Total	2,448,320	-	2,448,320

3. Transfer of Funds

Allocations to the JP Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent (AA). The AA has transferred US\$ 2,423,837 to two Participating Organizations (UNCDF and UNDP) as of 31 December 2012. Table 3 provides information on the cumulative amount transferred to each Participating Organization.

Table 3. Transfers by Participating Organization (in US dollars)

Participating Organization	Prior Years as of 31 Dec 2011	Current Year Jan-Dec 2012	TOTAL
	Transferred Amount	Transferred Amount	Transferred Amount
UNCDF	1,969,367	-	1,969,367
UNDP	454,470	-	454,470
Total	2,423,837	-	2,423,837

4. Overall Expenditure and Financial Delivery Rates

All expenditures reported for the year 2012 were submitted by the Headquarters' of the Participating Organizations via the MPTF Office Reporting Portal. These were consolidated by the MPTF Office.

4.1 Expenditure Reported by Participating Organization

As shown in table 4.1, cumulative transfers amount to US\$ 2,423,837 and cumulative expenditures reported by the Participating Organizations amount to US\$ 2,423,585. This equates to an expenditure delivery rate of 99%. UNCDF reported a 100% delivery and UNDP 99% delivery.

Table 4.1. Cumulative Expenditure of Participating Organizations and Financial Delivery Rate (in US dollars)

Participating Organization	Transferred Amount	Total Expenditure	Delivery Rate Percentage
UNCDF	1,969,367	1,969,367	100.00
UNDP	454,470	454,218	99.94
Total	2,423,837	2,423,585	99.99

4.2. Total Expenditure Reported by Category

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed upon categories for harmonized inter-agency reporting. In 2006 the UN Development Group (UNDG) set six categories against which UN entities must report project expenditures. Effective 1 January

2012, the UN Chief Executive Board modified these categories as a result of IPSAS adoption to comprise eight categories. The old and new categories are noted below.

2012 CEB Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

2006 UNDG Expense Categories

1. Supplies
2. Personnel
3. Training
4. Contracts
5. Other direct costs
6. Indirect costs

Table 4.2 reflects expenditure as of 31 December 2012. All expenditures reported up to 31 December 2011 are presented in the previous six categories, and all expenditures reported from 1 January 2012 are presented in the new eight categories. In 2012 the expenditure was reported in negative in order to correct the over expenditure of previous years.

As of 31 December 2012, the highest percentage of expenditure was reported on Other direct costs (77%), the second highest expenditure on Personnel (10%) and the third on Training of counterparts (9%). Indirect support costs are within range at 7%.

Table 4.2. Total Expenditure by Category (in US dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-11	Current Year Jan-Dec 2012	TOTAL	
Supplies, Commodities, Equipment and Transport (Old)	74,744	-	74,744	3.30
Personnel (Old)	231,473	-	231,473	10.22
Training of Counterparts (Old)	211,338	-	211,338	9.33
Other direct costs (Old)	1,751,075	-	1,751,075	77.31
Suppl, Comm, Materials (New)	-	(3,604)	(3,604)	(0.16)
Programme Costs Total	2,268,631	(3,604)	2,265,028	100.00
Indirect Support Costs Total	158,809	(252)	158,557	7.00
Total	2,427,441	(3,856)	2,423,585	

5. Transparency and accountability

The MPTF Office continued to provide information on its GATEWAY (<http://mptf.undp.org>) a knowledge platform providing real-time data, with a maximum two-hour refresh, on financial information from the MPTF Office accounting system on contributions, programme budgets and transfers to Participating Organizations. All narrative reports are published on the MPTF Office GATEWAY which provides easy access to nearly 9,600 relevant reports and documents, with tools and tables displaying financial and programme data. By providing easy access to the growing number of progress reports and related documents uploaded by users in the field, it facilitates knowledge sharing and management among UN Organizations. It is designed to provide transparent, accountable fund-management services to the UN system to enhance its coherence, effectiveness and efficiency. The MPTF Office GATEWAY has been recognized as a 'standard setter' by peers and partners.

ANNEXES

ANNEX 1: MID-TERM EVALUTION REPORT – September 2010

ANNEX 2: FINAL EVALUATION REPORT – December 2011



Government of the People's Republic of
Bangladesh

**LOCAL GOVERNANCE
SUPPORT PROGRAMME – LEARNING
AND INNOVATION COMPONENT (LGSP-
LIC)**

JOINT MID TERM EVALUATION

September 2010



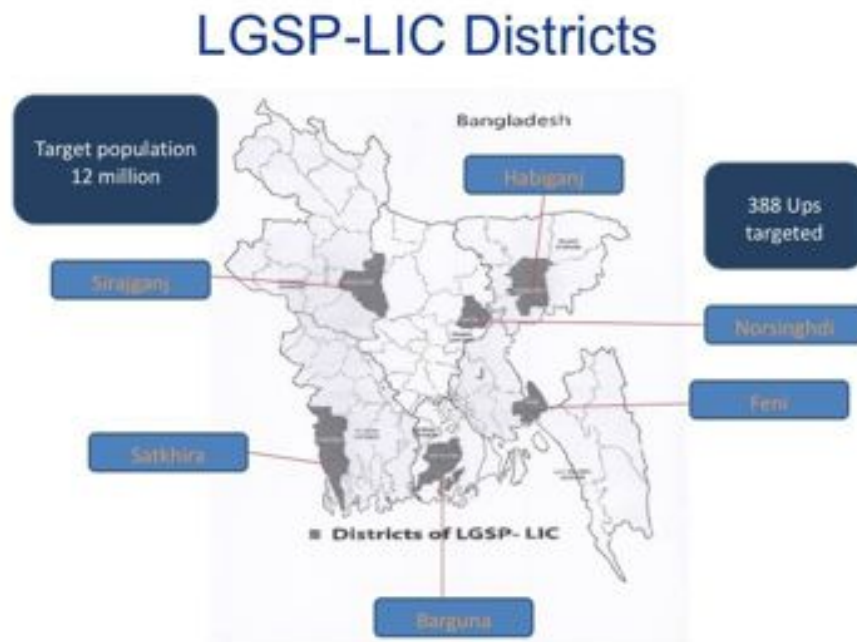
The study is carried out with technical and financial support from:



Joint Mid-Term Evaluation:
Local Governance Support Programme - Learning and Innovation Component

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Figure 1: Geographic Coverage of the LGSP-LIC



LIST OF ACRONYMS

ADC	Additional Deputy Commissioner
ADP	Annual Development Plan
AWP	Annual Work Plan
BGCC	Block Grant Coordination Committee
DC	Deputy Commissioner
DDCC	District Development Coordination Committee
DDLG	Deputy Director Local Government
DF	District Facilitator
EBG	Expanded Block Grant
LG	Local Government
LGD	Local Government Division
LGED	Local Government Engineering Department
LGSP	Local Governance Support Programme
LIC	Learning and Innovation Component (of the LGSP)
MC	Minimum Conditions
MMC	Measuring Minimum Conditions
NILG	National Institute of Local Government
NPD	National Project Director
PRS	Poverty Reduction Strategy
SBG	Supplementary Block Grant
SDC	Swiss Development Corporation
SLGDP	Sirajganj Local Governance Development Project
SSC	Scheme Supervision Committee
UCO	Upazila Cooperative Officer
UDCC	Upazila Development Coordination Committee
UFT	Union Facilitation Team
UNO (TNO)	Upazila (previously Thana) Nirbahi Officer
UP	Union Parishad
UPPC	Union Parishad Planning Committee
URT	Upazila Resources Team
UZ	Upazila
WDC	Ward Development Committee
WDF	Women Development Forum

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I. EXECUTIVE SUMMARY

The LGSP-LIC project has consolidated and replicated the innovations introduced under the SLGDP and has successfully demonstrated the effectiveness of greater decentralization and participation in the management of resources in the form of block grants for the delivery of priority projects and schemes at the Union Parishad level in Bangladesh. This has generated significant ownership and enthusiasm on the part of the local population that has been able to witness tangible results as a consequence of the systems introduced. Along with the SLGDP project, it has influenced national legislation and contributed to the preparation and passage of the Local Government Act (Union Parishads). The project has introduced and demonstrated mechanisms for greater community participation in the selection of priorities, in community contracting and budget management. It has also demonstrated the value added of greater transparency and accountability and has provided for broader participation in contracting and the implementation of local schemes. The project has introduced minimum conditions and performance criteria for the UPs to be eligible for block grants and this system is being applied. The majority of UPs have qualified for block grants although a small percentage have not. The project has been implemented according to schedule and has largely achieved its intended outputs. The project design has maximised national ownership and ensured a good likelihood that the project results will be sustained. It is worth noting that the project has resulted in an increase in the block grants allocated by the Government to Union Parishads largely as a result of improved performance. Schemes implemented have been rudimentary and may have been influenced by the nature of the funds received and the limitations placed on their use. This may also have affected the sustainability of some of the schemes implemented. However, the project has very clearly demonstrated the value added of openness and participation in priority setting, budget management and the management of services and infrastructure rehabilitation at the local level to the Government and the general public in the areas covered. The project has clearly affected national policy regarding local government. The effects of the project on poverty alleviation, the localisation of MDGs or the relevant objectives of the UNDAF, are, however, difficult to ascertain. This is not so much a criticism of the project itself, but rather a commentary on the

Future activities may need to shift towards demonstrating the capacity of Union Parishads to manage their sectoral responsibilities in conjunction with Upazila level departments of relevant ministries in line with the functions that have been deconcentrated under the current legislation. This Mid Term Evaluation makes a number of recommendations on how to raise effectiveness of the current model, particularly with respect to the project's capacity to influence the implementation of the broader LGSP as well as decision- and policy-making at the national level and to broaden the local revenue base. It also makes general recommendations regarding future directions for the project.

II. INTRODUCTION

IIA. Rationale for the Evaluation

This UNCDF/UNDP joint evaluation is being undertaken at the mid-term of implementation of a complex programme, but just prior to its next funding

Table 2: Division of Responsibilities Among Team Members	
Team Member	Focus
Salma A. Akhter	Participation in decision-making, gender.
Hans B. Olsen	Efficiency, effectiveness at local level, catalytic effect and linkages to broader governance.
Mobasser Monem	Relevance, trends in governance policy and their implications for LGSP. Communication, dissemination
Rajeev Pillay	Overall approach, content of report. Overall results, partnerships with key stakeholders, effectiveness of the learning and piloting function and management issues. As Team Leader was responsible for drawing the work of the team together into coherent outputs.

III. EVALUATION DESIGN

III.A. Methodology

The evaluation used both direct and metaevaluation techniques. With respect to the latter, it drew on the extensive number of studies, reports and evaluations conducted in the LGSP-LIC areas both by independent academic scholars or those under the aegis of the GoB, the World Bank or the UNDP/UNCDF.

The evaluation team used interviews, a thorough review of data, a review of programme documentation including progress reports and evaluations, regular monitoring data, source data collected in several independent exercises, a review of the outputs of the project itself and a review of reports, national budgets, plans and legislation pertaining to governance reform and the transformation of local governance in Bangladesh as a whole. A full list of persons interviewed – either individually or in groups – is provided in Annex IX. The following are the main elements of the methodology:

- ❖ ***Semi-Structured ‘Insider’ Stakeholder Group or Individual Interviews.*** Individual and group Interviews government official in the Ministry of Local Government, Rural Development and Cooperatives, the Ministry of Planning and the Ministry of Finance. Relevant officials and committees at the Upazila and Union Parishad levels including those responsible for planning, the management of funds, procurement and the management of service delivery. Interviews with DANIDA and European Union officials. Interviews with the National Project Director and other project personnel. Interviews with UNCDF and UNDP country office staff. Group interviews with community based organisations or other institutions that have been involved in the implementation of services at the local level. Group interviews with direct beneficiaries and end users of services supplied by Union Parishads that have received support from LGSP-LIC.
- ❖ ***Semi-Structured “Outsider” Stakeholder Group or Individual Interviews:*** With World Bank officials, LGSP project personnel, Swiss Development Cooperation (SDC) officials and staff as well as the project staff of the SDC providing technical assistance in conjunction with the LGSP, and staff of relevant local governance projects undertaken by

other agencies. Academic institutions and think tanks and training institutions such as the National Institute of Local Governance as well as NGO staff familiar with UNCDF/UNDP's LGSP-LIC programme or local governance in Bangladesh.

- ❖ **Field Visits.** The Team visited a sample of 3 LGSP-LIC districts and a total of 6 Union Parishads. The districts covered were Sirajganj (which provided a sound understanding of the lessons learned from the predecessor project, SLGDP, as well as LGSP-LIC), Narsinghdi and Feni.
- ❖ **Review of Documentation:** The Team reviewed national plans and budgets as well as sectoral reports pertaining to governance. They reviewed surveys contracted under the project in detail as well as all relevant evaluations or reviews of local governance programmes in Bangladesh conducted by third parties. The team reviewed all monitoring products of the project including progress reports and all documents produced as outputs of the project including draft manuals, systems design work and concept papers prepared in connection with the design and implementation of the programme. It reviewed strategic documents that establish the overall direction of governance in Bangladesh as well as the direction of the UN's and the UNDP's contribution. In order to assess UNDP/UNCDF's own strategic positioning, the Team reviewed a range of political and development reports, relevant legislation and national plans. The Team reviewed dedicated monitoring data collected by the UNDP/UNCDF to assess performance of the project and drew on datasets prepared in connection with surveys contracted by the LGSP-LIC project itself.

A list of the principal documents reviewed is contained in Annexes V, VI and VII. Interview protocols were developed to guide interviews with the various stakeholders. These are presented in Annex IV.

IIIB. Limitations of the Methodology

The principal constraint faced in the evaluation was the absence of baseline data. It is unclear why such information was not collected at the outset of the project, but is probably due to difficulties encountered in convincing partners to allocate resources for the purpose. Efforts have been made by the project to collect benchmarking data through recent surveys, including a recent "baseline survey"¹ that compare LGSP-LIC areas with non-LGSP-LIC areas, and these were used as a substitute for real baseline information. It should also be noted that this benchmarking was based largely on an opinion survey rather than on the collection of hard data.

Monitoring data collected by the project was used to the extent possible, but the type of socio-economic data required evaluating the effectiveness of targeting or projecting results with respect to poverty reduction and the achievement of MDGs was not available. Where monitoring data pertaining

¹ UNDP, Baseline Survey on Information Education and Communication (IEC) by Development Consultant and Global Compliance Initiative (DCGCI), 8 June 2010,

to the number of beneficiaries has been collected, they have been presented, but weaknesses and limitation of the data have also been noted in the report.

Where specific data has not been collected to enable the assessment of trends and results, or where the information had weaknesses, *triangulation* was used, asking similar questions of parties on different sides of the development partnership with a view to determining actual results.

The evaluation was also limited by the amount of time available to the evaluation team. The limitation on the amount of time available was offset in two ways:

- *Metaevaluation*: Use of prior evaluations, reviews and studies as a means of covering districts and issues that could not be directly assessed by the evaluation team; and
- *Sampling*: Careful sampling to ensure that different conditions and situations are sufficiently covered to provide a range if not a cross-section of the issues faced during implementation.

IV. PROJECT STRUCTURE AND STRATEGY

The LGSP-LIC is an integral part of the wider LGSP, a national project to promote better local governance and local service delivery supported by a US\$130 million IDA loan. Having already developed the overall approach and having demonstrated the viability of managing block grants at the UP level under a predecessor project in Sirajganj District (SLGDP), the principal purpose of the LIC was to further innovate upon the SLGDP model with new processes and instruments, to capture the lessons learned and then to disseminate the experience of the lessons learned with a view to i) ensuring the replication and scaling-up of positive models; and ii) inserting the fruit of the lessons learned into the policy development process (see Figure 2). It is understood that the SLGDP applied UNCDF's standard approach to Local Development Funds, adapting this product to local conditions.

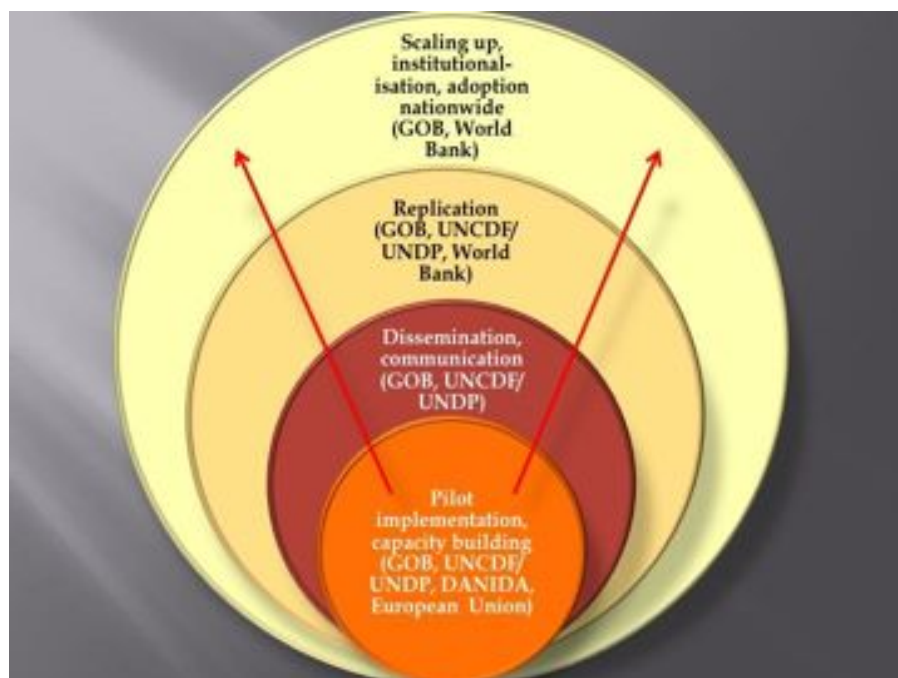


Figure 2: Schematic Diagramme of the Basic Project Strategy

The central institutional focus of fiscal decentralisation of the project is the Union Parishad (see Figure 3), an entity that has been in existence since the founding of Bangladesh is the institutional focus of the project. The UP is an elected body composed of 13 members; one from each of the nine wards, three women members (from reserved seats – one from each of three wards) and the chairman elected by the total electorate of the UP. The Union is staffed by a full time Secretary, appointed by the Deputy Commissioner who is head of district administration and local police (1 Dafadar and 9-12 Gram Police). The UP Secretary is responsible for accounting and record keeping and all kinds of registration e.g. birth, death etc. Very recently, government has created a post of Accountant-cum-Computer Operator at the UP level, but the position remains unstaffed.

Under the LGSP-LIC program, 291 Union Parishads have undergone a Minimum Conditions Audit to assess their eligibility for receiving a Supplementary Block Grant for FY 2009-2010 during 2009. Four audit firms have undertaken the MMC Audit under a competitive bidding process and submitted their reports to the Ministry of Local Government, Rural Development and Cooperatives (MLGRD&C) and the NPD. The same process was carried out in 2008 for the FY 2008/09 and covered 191 UPs. As per the LGSP-LIC project document only those Union Parishads complying with both the Financial Audit requirements and the Minimum Conditions Audit requirements are eligible to receive a Supplementary Block Grant (SBG). Both the two assessments found that about 10% of the UPs did not live up to the minimum conditions and did therefore not qualify for the SBG.

The Local Government (UP) Act, 2009 assigned it with 38 functions. The functions of UP are wide ranging. In reality, the UPs are mostly involved in the selection and implementation of schemes, sanitation programs (latrines), local level revenue collection, registration of births and deaths, social safety net activities such as, distribution of relief goods and Vulnerable Group Feeding (VGF), preparation of list of widows for pension distribution and

Minimum conditions for the receipt of supplementary block grants have been introduced and are being applied.

organization of food/cash for work activities (popularly known as Kabikha); maintenance of law and order including conflicts resolution and administration of justice (village court). The Local Government (Union Parishad) Act of 2009 also empowers UPs to monitor the functions and activities of the Union-level officials of the service delivery departments of the central government and report on their performances to the higher authorities located at the Upazila.

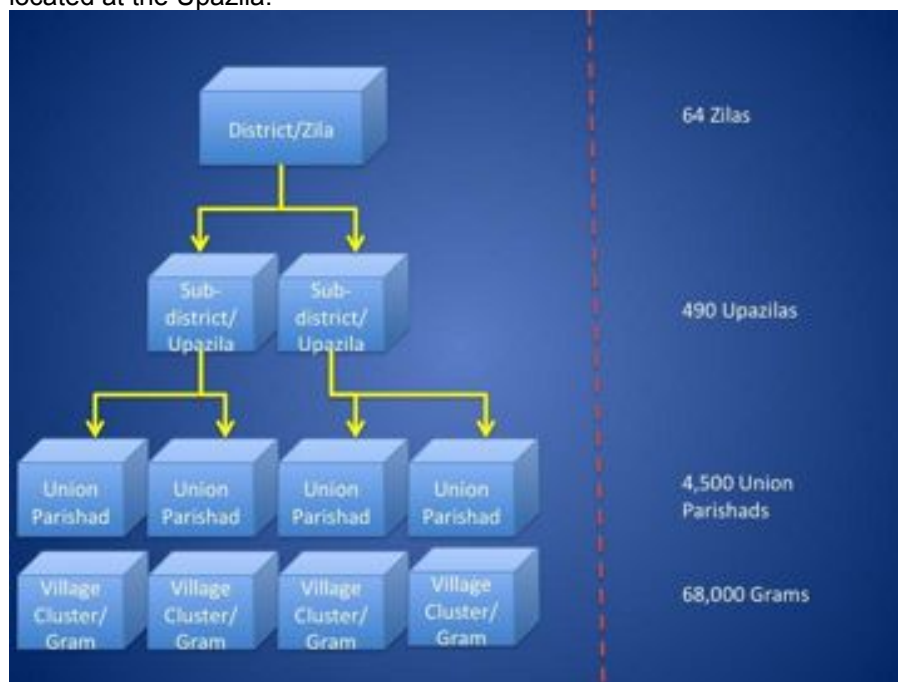


Figure 3: Structure of Sub-National Government in Bangladesh

Section 53(ii) and section 65 of the Local Government (Union Parishad) Act, 2009 mandates UPs to generate revenue/resources from specific sources through the imposition of taxes, user rates, fees, tolls fines and other charges within their administrative boundaries. Section 68 authorised UPs to collect taxes to meet their own recurrent costs and development activities.² Section 66 of the act empowered the government to formulate the new Model Tax Schedule. But the present UP Model Tax Schedule was formulated in 2003 under the Section 55 of the Local Government (Union Parishad) Ordinance, 1983 which has described the imposition of holding tax (buildings and land), fixed amount taxes on 93 items of business, trades and professions, taxes on advertisement, cinemas and some vehicles.³ The detail tax assessment system and collection procedure is discussed in sections 22 to 30 in chapter III of the Union Councils (Taxation) Rules, 1960 and the Instructions of the Guidelines on Tax Assessment and Collection Strategy issued by the Local Government Division of the Ministry of LGRDC in 2003.⁴

The LIC involves piloting in six districts -- Barguna, Habiganj, Sirajganj, Narsingdi, Feni and Satkhira -- one from each of six administrative divisions

² GoB. Bangladesh Jatiya Shangshad, *The Local Government (Union Parishad) Act, 2009*. Dhaka, Bangladesh Gazette, 15 Oct., 2010

³ GoB. Bangladesh Jatiya Shangshad, *The Union Parishad Model Tax Schedule, 2003* Dhaka, Bangladesh Gazette, 06 Dec., 2003.

⁴ GoB. S.R.O No, HSLG/S-VIII/BD-71/59/76. *The Union Councils (Taxation) Rules, 1960*. and GoB, Local Government Division of the Ministry of LGRDC, Instructions of the Guidelines on Tax Assessment and Collection Strategy issued in 2003 .

of the country. 388 Union Parishads were to be covered progressively over the five year duration of the project. To date the project has covered 264 UPs. As per financial audit and Measuring Minimum Conditions (MMC) report, a total 362 UP will be covered out of 388 over the period⁵.

The strategy of the project is based on the following:

- Demonstration of the viability of administering a performance based, block grant system at the Union Parishad level in a participatory way.
- Testing the absorptive capacity of the mechanisms at the UP level.
- Application of a participatory, process-oriented approach to planning project identification and prioritization, supervision of implementation and budget management.
- Maximising national and local ownership and maximising sustainability through the strategic use of inputs that external to those of the Government of Bangladesh, the Union Parishad and the community itself; and
- The empowerment of women and the targeting of the poor along with the implementation of pro-poor activities (that can also contribute the Bangladesh's fulfilment of its obligations in the achievement of the MDG).

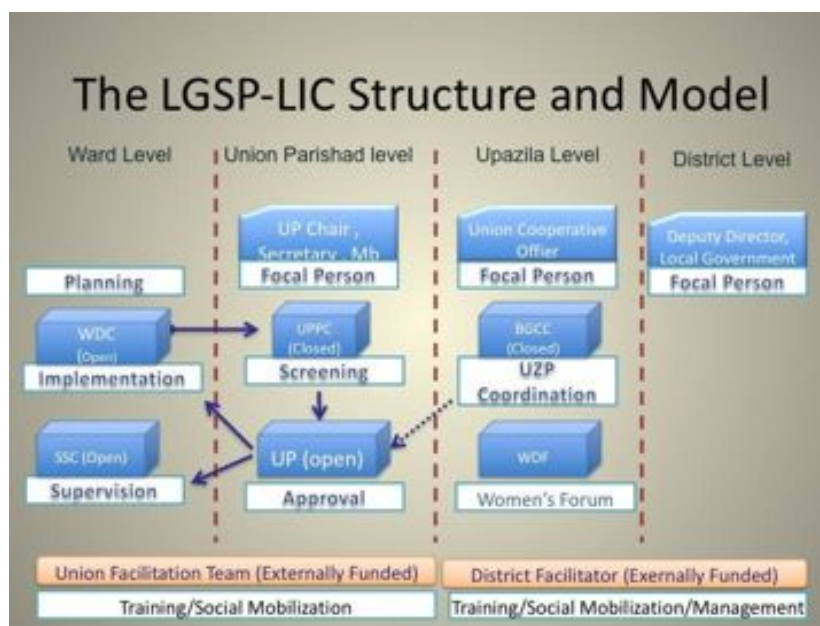


Figure 4: Project Structure and Model

The project has sought to address several of the widely perceived critical constraints to fiscal decentralisation to the UP level. These may be summarised, along with the LGSP-LIC's response to them as laid out in Table 8.

The Director General of the Monitoring, Inspection and Evaluation Sub-department of LGRD ministry is the National Project Director (NPD). His role is to implement and supervise the daily tasks of the project. Different committees at Union, Upazila and District levels are responsible for implementation of the project. The formation and functions of these

⁵ Figures based on information received from the Acting Project Manager on 1 October 2010 by e-mail response to Evaluation Team's inquiry.

committees are discussed below. The committees and their inter-relationship is also illustrated in Figure 4. Committees referred to as “open” are ones that are open to public participation, whereas the ones that are “closed” are restricted to members only.

Project Steering Committee: A Project Steering Committee for the entire LGSP is responsible for overseeing execution of the program. The Secretary of the Local Government Division (LGD) is the Chair of this committee. The Project Steering Committee is responsible for program management, observation and guidance at the national level and covers both the LGSP-LIC and the rest of the LGSP.

Block Grant Coordination Committee (BGCC): A BGCC at the Upazila level coordinates project activities avoiding overlap and duplication, and provides overall guidance. The BGCCs, which have now been formed and are fully functional as witnessed by the MTE Team are structured as follows:

Table 3: ROLE AND STRUCTURE OF THE BGCC	
Formation of BGCC	Roles of BGCC
• UNO	Chair
• All UP chairmen of the upazila	Member
• Female member of reserved seat (bank account operator of the UP under LGSP)	Member
• Members of the Upazila resource team	Member
• One UP member selected at the first BGCC meeting	Member-Secretary
	<ul style="list-style-type: none"> • To give guidance and advice for utilizing the ebg and sbg after evaluation; • To redress grievance with regard to complaints on use of EBG and SBG and UP administration; • To coordinate all development activities of the UPs; • To take legal recourse with regard to corruption and irregularities; • To discuss draft development plans and quality of the budget and send the budget to the DC for approval; • To create opportunities for joint initiative of the UPs; • To ensure technical support from the concerned departments for the development plans of UPs and estimates; • To discuss and coordinate LGSP-LIC activities such as capacity building and audit; • To facilitate peer exchange and learning.

The BGCC is supposed to meet at least once a quarter. The Chairman may call special meetings. It was not, however, clear to the Evaluation Team how often the BGCC meets in practice. The Secretary of the BGCC takes meeting minutes which have to be preserved at the UNO office and are posted to the LGD, DC and all committee members within 15 days.

Ward Development Committee (WDC): The WDC representatives are selected by the people during ward meetings, and all the ward committee lists are submitted to the UP Chairman. Each ward committee consists of 5-7 members. Each of female member will act as Chairperson of the Ward Development Committee for a year.

Structure of the Ward Development Committee:

- | | | |
|---------------------------|--------------|---|
| UP Ward Member (Member) - | Roles | |
| Chair | | ▪ Organize participatory planning meetings at Ward level; |
| UP Female Member - | | |

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Deputy Chair		▪ Complete environmental and social selection process;
2 respected persons	-	▪ Submit the list of selected and prioritized schemes to the UP;
Member		▪ Implement the approved scheme;
1 Primary School Teacher	-	▪ Organize quarterly meetings on progress of project at Ward level.
Member		
1 Social worker	-	
Member		
1 NGO representative	-	
Member		

Scheme Supervision Committee (SSC): The Scheme Supervision Committee (SSC) supervises and monitors all LGSP-LIC funded schemes of the UP funded under supplementary block grants. An SSC is formed in each ward. A member cannot simultaneously be a member of the WDC. At least one-third of the members have to be females. The SSC consists of will be 5-7 members. The SSC members elect their own Chair and Secretary. One member is appointed by the UNO. All other members are selected at an open meeting as is the case of the WDC.

The SSC:

- Monitors and supervises all schemes implemented under the LGSP-LIC in its own ward;
- Monitors for specific quality, quantity, and timeliness according to an approved procurement and implementation plan;
- Informs the WDC about measures to be taken should any problems be identified in implementation and if the WDC does not take any measure, to inform the UP, and further informs the BGCC if the UP fails to address it;
- Assess the environmental and social selection forms;
- Keeps members of the community people informed about quality, efficiency and impact of schemes implemented.

Planning Committee (UPPC): The UPPC members have to be endorsed by the UP Chairman every year and approved by the UP and consists of the following members:

Table 4: Membership of the UPPC	
Member	Position in the Committee
Chairman of the Standing Committee on Public Works	Chairman
UP Secretary	Secretary
Chairman of the Standing Committee on Finance and Establishment (however, if the chairman of this committee is not the UP chairman then he will be included)	Member
Chairman of the Standing Committee on Women and Children Welfare	Member
LGED engineer or Technical Consultant of UP	Member

In special cases the Committee can absorb substitute members.

Roles of the UPPC in the planning process are as follows:

- Verification and prioritization both eligible and ineligible schemes (received from 9 Wards and 4 Standing Committees) in terms of environmental and social impacts.

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- Collection of detail information for estimation and design while inspecting the schemes.
- Prioritize eligible schemes through technical appraisal.
- Submission of technical recommendations of the schemes to the UP.

Union Facilitating Team (UFT): A UFT is assigned to each Union with 6-9 members. The UFT members will work voluntarily but a nominal honorarium may be arranged. Each UFT works with the representatives of the UP and Wards to ensure successful implementation of LGSP-LIC. under direct supervision of UP Chairman and with technical support of Upazila Cooperatives Officers. UFT are to regularly keep contact with different committees such as WDC, SSC, WDF, UPPC, and UP Standing Committee. The UFTs:

- Contribute to capacity building of different committees including WDC, SSC, WDF;
- Provide support to participatory planning and open budget preparation at Ward level;
- Provide support to organize all levels of people including the poor, marginalized, backward classes in development and motivational works;
- The UFTs will update the progress of the ongoing project of their own areas, and provide support to send the report to Upazila Cooperatives Officer;
- Participate in different programs organized by the project and impart training at the grassroots;
- Provide support to the UP in determining tax and collection;
- Provide support to the Standing Committees for being active and participate in different development activities.

Upazila Cooperative Officer: Provides assistance and advice to the UP on all project activities and trains committee members on participatory work-planning, implementation guideline, monitoring and reporting rules. Provide assistance and advice to the UP on implementing development projects and its management. Provide assistance and advice on developing participatory planning and through different training workshops for development activities; Regularly provide progress report of the LGSP-LIC project in the working area to DDLG and UNO. Provide assistance to UP and Ward level committees in developing participatory planning. Impart training to the UFTs on planning, implementation guidelines, monitoring, progress reporting and financial report preparation under LGSP-LIC project and provide assistance to the UP in collecting tenders for implementing schemes.

Upazila Women Members Development Forum: The primary role of this forum is to ensure complete participation of women members in the UP, and to provide support to the UP in the socio-economic development of the poor women of the area. The WDF is created at upazila and district levels. The role and functions of the WDF remain officially rather fluid. And there remains room to develop it further.

A tender evaluation committee is also to be established for the review of formal tenders, although to date the size of schemes has been too small to require formal tender processing, falling well below the BDT 200,000 threshold required for tenders.

V. RELEVANCE AND CONTRIBUTION TO BROADER LGSP AND GOVERNANCE REFORM

Focused as it is on service delivery, capacity and community empowerment at the local level, the LGSP-LIC is highly relevant to the Government's policies and plans

VA. Relevance to National Policy Directions

The current Poverty Reduction Strategy Paper (PRSP) notes “governance has justifiably emerged as the most critical of issues at the interface of democracy and development”. The UNDP Country Programme (2006-2010) noted that “public service delivery was weak with civil society filling this gap to a large extent” and that “the central government appoints most local officials”.

The lack of effective decentralization is seen as part of broader governance problems in Bangladesh, which in turn impact significantly on the quality of service delivery and achievement of MDGs. This has been documented in numerous studies and documents such as “Improving Governance for Poverty Reduction”⁶.

Bangladesh has a long history of public sector governance reform reaching back to the 1980s. In the last two decades there has been a shift in emphasis to effective local governance as an institutional mechanism for reducing poverty. Bangladesh's revised National Strategies for Accelerated Poverty Reduction-II (NSPAR) prepared for FY 2009-10, outlined a comprehensive medium-term strategy for poverty reduction through faster pro-poor economic growth through pro-poor macroeconomic management. Among other objectives, the document emphasized local governance, protection of the vulnerable - particularly women - and the efficient delivery of public services through effective public institutions. The LGSP-LIC, therefore, clearly addresses these priorities in a direct manner.

Following an extended period with a caretaker government, the new Government, elected in December 2008, has accorded local governance high priority in its platform as was made explicit by the Finance Minister in the recently concluded Bangladesh Development Forum (BDF) in March 2010 where he iterated that the government is committed to rule of law, human rights and gender equity.

The government has also pledged to enhance the transparency and accountability of local institutions with a view to ensuring better service delivery of public services. The government's commitment to improving local governance is set forth in the Second National Strategy for Accelerated Poverty Reduction (2nd NSAPR, Bangladesh's PRSP). Indeed, the 2nd NSAPR identifies local governance as fifth priority for establishing good governance in Bangladesh.

Bangladesh lacks a comprehensive decentralisation policy that defines administrative arrangements and allocates resources for effective implementation of existing legislation.

Although legislation exists in the form of the Local Government Act, Bangladesh does not have a comprehensive decentralisation policy to define the requisite administrative arrangements and allocate resources accordingly; decentralisation, to a large extent, has remained unresourced and implementation of the Act has therefore been driven by pilot schemes that have demonstrated what is possible. Though Bangladesh has a relatively long history of local government, its functional responsibilities have always been limited; local government has had a limited role in the delivery

⁶ World Bank “Improving Governance for Poverty Reduction” , Washington D.C. 2002

of services. Instead, the national government has relied on departments of line ministries that were created depending on the needs at different points in time for the discharge of service delivery functions. These agencies are present at different tiers of administration stretching down to the Upazila level. Various services are delivered at the local level through these field level administrative structures. Although now placed under the Upazila for all practical purposes, the line departments are only answerable to their superiors within the ministry's hierarchical structure. It is the general perception among end-users that relatively few services are delivered in practice through this system and inefficiencies and leakages are well-documented as being high.

Table 5: Structure, Functions and Representation of Rural Local Government		
Rural LG Structure	Functions	Representations
7 Divisions	Oversight, supervision and management of all administrative and development activities at district and sub-district level	No direct political representation. Divisional Commissioner is Executive Head
64 Districts Average pop: 1.9 million Average area: 2,250 sq km	Management and monitoring of government programmes and projects, implementation of district level public works and maintenance activities, grants and scholarships.	No direct political representation. Zila Parishad consists of a ZP Secretary and Accountant. District Development Co-ordination Committee comprises Deputy Commissioner and line dept heads.
482 Upazilas (increased from 460) Average pop: 250,000 Average area: 300 sq km	Planning, implementation, coordination and monitoring of all infrastructure and services including health, education, public works, irrigation and water, agriculture, fisheries, livestock, forestry, community development	Chair and two Vice Chairpersons one of whom is always a woman, are directly elected political representatives. All UP Chair are ex-officio members of Upazila Parishad, Upazila Nirbahi Officer as Chief Executive Officer of the Parishad. UP Chairpersons voting members on Parishad. Line dept officers are non voting members.
4,498 Union Parishads Average pop: 27,000 Average area: 33 sq km	39 functions in 4 broad categories. Categories include: i. Administration and Establishment, ii. Law and Order; iii. Public Welfare and related works; iv. Local socio-economic development planning and implementation.	Elected Chairperson and 12 elected members (one for each of nine wards and 3 women members each representing 3 wards).

The Union Parishad (UP) is the lowest tier of the local government system of Bangladesh. Union Parishads – the longest standing form of elected local government in the country⁷ - are broadly responsible for economic, social and community development and are mandated to fulfil 38 “functions”. The UP is an elected body composed of 13 members; one from each of the nine wards, three women members (from reserved seats – one from each of three wards) and the chairman elected by the total electorate of the UP.

⁷ The Union Parishad owes its origin to the former Union Council established 1870 during British rule.

Main functions of the UP that are currently implemented are: planning, coordination and monitoring of local development; construction and maintenance of small-scale infrastructure (roads, bridges, culverts, canals); enforcement of law & order and dispute settlement; and registration of births, deaths, and marriages. Each Union is staffed with a full-time Secretary, appointed by the Deputy Commissioner who is head of the district administration. The UP Secretary is responsible for accounting and record keeping and all kinds of registration e.g. birth, death etc. The potential role of the UP – as the lowest tier of local government – in helping to achieve more effective local development as well as in contributing to the MDGs is being increasingly recognised. Elected councils at this level are long established and politically representative institutions. The Union, with an average population of 27,000 people, is also the most appropriate unit for more direct and participatory local governance.

Currently UPs have three authorised sources of formal revenue income (Table 5). Besides these, UPs have many other authorised opportunities to explore and generate revenue from optional and non-conventional sources. In practice, several of the sources of own revenue remain uncollected, as the UPs do not possess sufficient capacity to make the assessments, to collect and to enforce payment. UPs also have indicated that relatively little of the shared revenue collected at Upazila level accrue to the UP level and to a large extent they are dependent on block grants from the centre and on the generation of revenue at the UP level.

Table 6: Sources of Revenue at the Union Parishad Level	
Category	Sources
Own revenue	Own revenue consists of the holding tax (buildings and land), tax on trades, businesses, professions, advertisement cinemas, exhibitions and vehicles, registration and other fees, tolls, charges, fines, etc.
Shared revenue	Shared revenue includes the 1% of the land transfer tax collected by the Land Registration office at Upazila level, 50% of market leasing fees for one selected market within the UP and ferry concession fees.
Transfers from central government	Central government transfers includes: <ul style="list-style-type: none"> • The block grant allocation at Upazila level as part of the national ADP (subsequently shared among all UP); and • UP direct block grants; grants for salaries and administrative costs; discretionary grants from government for development expenditure and grants/loans from donor funded programmes/projects.

In spite of the block and supplementary block grants, resource constraints continue to prevent Union Parishads from fulfilling their mandated functions – particularly in sectoral areas.

The ordinance relating to the UP assigned it a number of functions but without provision of adequate financial resources from the centre to discharge them correctly. Internal resources that are generated by the UPs were so insignificant that they did not enable the UPs to discharge their assigned services. Thus, in reality, other than some small infrastructure development and relief works, the UPs are unable to undertake any noteworthy service delivery function. As a result, the services at the local level, throughout the country – and especially in rural areas – are overwhelmingly delivered by the line agencies of the national government.

This practice has resulted in poor satisfaction of the beneficiaries, corruption, and leakage of public resources. It is widely believed that inadequate and

poor supervision and monitoring of the activities of the central government functionaries are important reasons for poor quality of delivery of services.

LGSP-LIC'S SUPPORT TO NATIONAL POLICY REFORM

To address these problems, the Local Governance Support Programme – Learning and Innovation Component (LGSP-LIC) is designed to feed into the wider Local Governance Support Programme (LGSP) by piloting innovations and demonstrating learning that can enhance the larger national programme and make the provision of capital grants to local government more efficient and effective – thus strengthening the important position of the Union Parishad (UP) as the base level of elected local government in Bangladesh.

LGSP-LIC has been able to display Union Parishad capacity to implement schemes and manage resources and has supported policy reform.

In the view of the MTE Team, this is a valid role for a project that is built on the initial Sirajganj pilot – which ran from 2000 to 2006 before its innovation of providing discretionary capital grants to Union Parishads (UPs) was adopted by government (in 2004 already) and implemented with a World Bank loan through the LGSP (2007 onwards). The learning and innovation is to be achieved through work in the initial pilot district of Sirajganj together with five other districts of Habiganj, Narsinghdi, Feni, Barguna and Satkhira. LIC is working in 264 UPs in FY 2009 – 2010 and will cover up to 388 Ups in FY 2010-2011.

In Unions under the Local Governance Support Project (LGSP) Unions, specific planning and budgeting guidelines are given and they also impart necessary training on how to use these guidelines. The guidelines put emphasis on participatory identification and prioritization of local needs, through open public meetings with widespread community representation. UP members are required to organize ward-level community meeting in which a list of schemes to be undertaken for the ward is prepared on the basis of certain criteria such as monetary allocation for UP, necessity/urgency of the schemes, short-term and long-term benefits for the community, environmental and social impact, technical feasibility etc. The expected outcome is to improve UP capacity for effective, efficient and accountable delivery of pro-poor infrastructure and services. The proposed broad outputs include the following: a) increased capacity and access to own revenue collection by UPs; b) efficient relations established with Upazila level and c) improved strategic development planning approach for UPs. LGSP (LIC) also emphasizes on enhancing existing woman participation mechanisms related to planning and women earmarked funds utilization. LGSP-LIC is embedded within the Local Government Division and it is implemented by the LGD under UNDP/UNCDF's National Execution modality. The expected outcome of LGSP-LIC is improved Union Parishad's capacity for effective, efficient, and accountable delivery of pro-poor infrastructure and services.

Based on local demand and public opinion and with supplementary block grants, the Union Parishads covered by the LGSP-LIC project have been able to display significant and replicable efficiency and capability in implementing different development schemes with broad participation of community members. LIC is treated as 2nd generation pilot project of SLGDFP assuming specific responsibility to learn from the innovations and to replicate them in broader LGSP towards decentralized local governance. Building on lessons from monitoring of programme implementation, LGSP-LIC aims to support government in the development of a national

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decentralization policy framework over time and in the broader strategy for implementing LGSP nationally. Policy lessons will be monitored and discussed with national decision-makers, just as the lessons learned and best practices from SLGDP contributed to and expedited the government's decision to provide block grants to all the UPs of Bangladesh and introduce performance assessment of UPs. In collaboration with the nation-wide LGSP.. The matrix below depicts the relationship between the roles of LGSP-LIC, the World Bank supported components of the broader LGSP, and the expected outputs:

Table 7: Relationship Between Components of the LGSP		
LGSP	World Bank Supported Components	UNDP-LIC Component
Output 1: Increased financial resources are made available to UPs in equitable and appropriate ways	Component 1: Fiscal Transfers Component 5: Social Protection Conditional Grants	Supplementary capital budget allocations, performance-linked funding mechanisms and support for revenue collection
Output 2: Improved public expenditure systems for local government institutions (UPs) are developed and used	Component 1: Fiscal Transfers Component 2: Institutionalizing Local Accountability Component 3: Supporting Core Local Government Capacity Development	Local public expenditure management (PEM) piloting
Output 3: Enhanced mechanisms for local accountability are established and implemented	Component 2: Institutionalizing Local Accountability Component 3: Supporting Core Local Government Capacity Development	Local public expenditure management piloting Deepening downward and horizontal accountability
Output 4: More effective framework for capacity development support is established	Component 3: Supporting Core Local Government Capacity Development	Piloting demand-driven capacity development approaches Enhanced GoB support to UPs
Output 5: Policy development is informed by lessons of programme implementation	Component 4: Support to Performance review and Policy Development Component 5: Social Protection Pilot	Feeding lessons of pilots into the national LGSP and into national policy reforms

The SLGDP and LGSP-LIC have had a demonstrable and significant impact on national policy

LGSP-LIC has had a demonstrable influence on national policy on local government. The demonstrated effectiveness of the SLGDP and lessons learned from innovations piloted under the SLGDP and LGSP-LIC have been directly incorporated into the Local Government (Union Parishad) Act of 2009.

This Act assigned 38 wide ranging functions to UPs. In reality, the UPs are mostly involved in the selection and implementation of schemes, sanitation programs (latrines), local level revenue collection, registration of births and

deaths, social safety net activities such as, distribution of relief goods and Vulnerable Group Feeding (VGF), preparation of list of widows for pension distribution and organization of food/cash for work activities (popularly known as Kabikha); maintenance of law and order including conflicts resolution and administration of justice (village court). The Act also empowers the UPs to monitor the functions and activities of the Union-level officials of the service delivery departments of the central government and report on their performances to the higher authorities located at the Upazila.

The act incorporated all of the institutional structures piloted under the SLGDP including the Women's Development Forum (WDF), the Ward Development Committee (WDC), the Union Parishad Planning Committee (UPPC), the Scheme Supervision Committee (SSC) and various other aspects pertaining to the composition of these committees – especially with respect to the participation and role of women. These are discussed in greater detail in subsequent sections of this report..

Section 53(ii) and section 65 of the Local Government (Union Parishad) Act, 2009 mandated the UPs to generate revenue/resources from some particular sources by imposing taxes, rates, fees, tolls fines and other charges within their administrative boundaries and the section 68 authorised the UPs to collect the taxes to meet their expenditure and finance their own development activities.⁸ Section 66 of the act also empowered the government to formulate the new Model Tax Schedule. But the present UP Model Tax Schedule was formulated in 2003 under the Section 55 of the Local Government (Union Parishad) Ordinance, 1983 which has described the imposition of holding tax (buildings and land), fixed amount taxes on 93 items of business, trades and professions, taxes on advertisement, cinemas and some vehicles.⁹ The detail tax assessment system and collection procedure has discussed in the section 22 to 30 in chapter III of the Union Councils (Taxation) Rules, 1960 and the Instructions of the Guidelines on Tax Assessment and Collection Strategy issued by the Local Government Division of the Ministry of LGRDC in 2003.¹⁰

Section 7 of the Act focuses on the formation of a new structure called *Ward Shava*. All voters of each of the 9 wards are the members of the WS. The WS aims to encourage participative planning, community mobilization and accountability. In fact, the concept of Ward Shava has been derived from the success of Ward Development Committee under the LGSP-LIC.

By demonstrating the capacity of Union Parishads to manage funds, the LGSP-LIC has contributed to the GOB's decision to increase the size of block grants assigned to the UP from the national budget in nominal terms as well as real terms.

By demonstrating the capacity of Union Parishads to openly and accountably manage resources in an efficient and effective manner, LGSP-LIC's predecessor, SLGDP has not only directly contributed to a decision on the part of the GOB to directly assign block grants to Union Parishads, but the LGSP-LIC itself has resulted in the size of block grants has being increased by the government in both nominal and real terms using official government statistics on inflation¹¹.

⁸ GoB. Bangladesh Jatiya Shangshad, The Local Government (Union Parishad) Act, 2009. Dhaka, Bangladesh Gazette, 15 Oct., 2010

⁹ GoB. Bangladesh Jatiya Shangshad, The Union Parishad Model Tax Schedule, 2003 Dhaka, Bangladesh Gazette, 06 Dec., 2003.

¹⁰ GoB. S.R.O No, HSLG/S-VIII/BD-71/59/76. The Union Councils (Taxation) Rules, 1960. and GoB, Local Government Division of the Ministry of LGRDC, Instructions of the Guidelines on Tax Assessment and Collection Strategy issued in 2003 .

¹¹ Source: Bangladesh Bureau of Statistics.

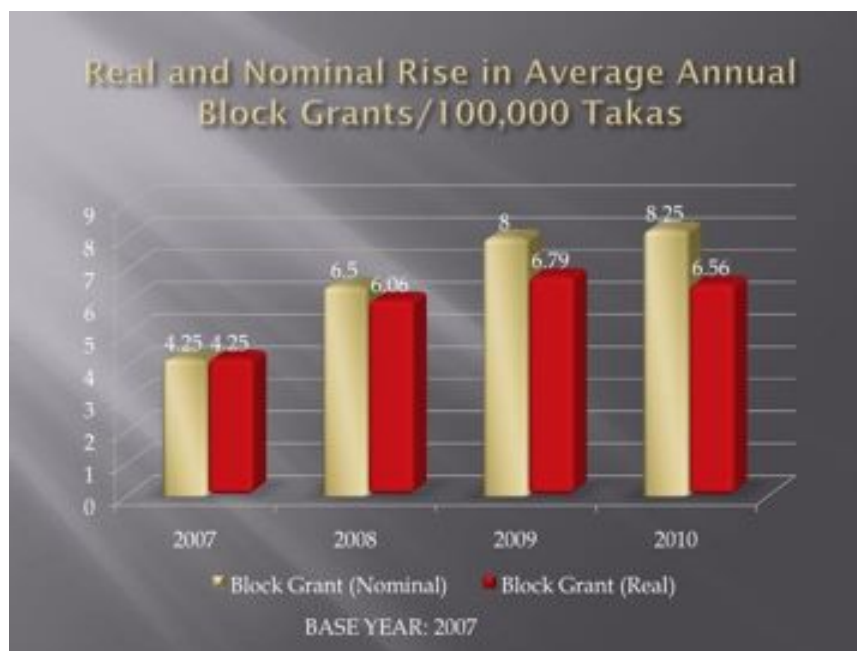


Figure 5: Real and Nominal Rise In Average Annual Block Grant Size

The project's quantifiable contribution to the achievement of MDGs has been marginal and impossible to quantify based on data available.

VB. Relevance in Relation to MDGs

LGSP-LIC has indicated that the achievement of the goals of the PRSP (NSAPR) and the Millennium Development Goals (MDGs) are among its intended objectives. Yet in the absence of any direct targeting of the poor or of activities that directly address the MDGs, the impact of the LGSP-LIC on the MDGs can only be said to be marginal.

For instance, there has been no systematic focus on food security or income generation (MDG 1). Nor has there been an explicit attempt to raise enrolment in primary education facilities (MDG 2). Schemes classified as "education" or "health" related in the funding statistics refer to small roads that are built to provide access to health or education facilities rather than actual support to the provision of health or education services. Similarly, there has been no support for the development of small income generation activities or agriculture schemes. The only contribution to incomes has been in the form of wages paid for temporary labour in connection with the labour based public works funded by the block grants. These have generally been short-term in nature. One cannot say that they have resulted in the sustainable generation of income for the poor even though they may have provided short-term wage labour during the offseason for agricultural workers. For the most part, such activities have been funded from the EU's Food Security Fund that has required 75% of the cost of schemes funded to be for wages.

Where the LGSP-LIC has addressed the MDGs, the approach has been indirect and tangential at best with the possible exception of the MDG 3, the promotion of gender equality and the empowerment of women. Yet for the moment even this can only be measured in terms of attitudes captured in surveys actual participation in decision-making bodies and the volume of resources assigned to women's priorities (although the latter has proven difficult to define). The project's contribution to the MDGs is summarised in Table 6.

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Table 8: Contribution of the LGSP-LIC to the MDGs	
MDG	Contribution
MDG1: Eradicate extreme poverty and hunger	<p>The strategies adopted for involving para level people in planning process may be said to provide the poor with greater access to resources – particularly the block grants -- though this cannot be empirically demonstrated at present.</p> <p>Off-season labour-based public works have ensured income for the poorer members of targeted communities although the impact on incomes is not tracked.</p>
MDG2: Achieve universal primary education	<p>Although access to health care and education facilities may have, in a few instances been facilitated through the construction of small roads or paths with the use of block grants, there is no way of reliably assessing the effects on school enrolment or attendance or on health outcomes. The contribution of the project has therefore been negligible to none.</p>
MDG3: Promote gender equality and empower women	<p>The Ward Development Forum (WDF) has been established in all Upazilas of LGSP-LIC districts comprising one chairperson, one panel chairperson, one secretary and remaining other female members of each union as executive members of the forum. The forum has played an important role in facilitating the participation of women members in the local government administration and to assist the UP in the empowerment of the underprivileged, as well as women.</p> <p>The WDF shows signs of being an effective mechanism for advocacy and has raised awareness of the rights of women in certain limited areas such as child marriage and provided women leaders with added confidence to assert their priorities in resource allocation. Empirical measures of actual impact are not yet in place.</p> <p>30% of supplementary block grants in LIC areas are dedicated to the needs of women as do 30% of the schemes approved for implementation. It is unclear how this is being implemented in practice as many of the projects approved can be said to benefit women among other members of the community. WDCs also place women in leadership roles on a regular basis and there are quotas set aside for the participation of women in key UP committees such as WDCs.</p>
MDG4: Reduce child poverty	None
MDG 5: Improve maternal health	None
MDG 6: Combat HIV/AIDS, malaria and other diseases	None
MDG 7: Ensure environmental sustainability	Environmental screening of projects in UPPC. (Not clear how this is done)
MDG 8: Develop a global partnership for development	N/A

VC. Relevance in Relation to the United Nations Development Assistance Framework (UNDAF) and the UNDP Country Cooperation Framework (CCF)

Under the UNDP Country Programme (2006-2010), democratic governance was accorded priority attention. It was noted that the programme would focus

The relevance of LGSP-LIC to the UNDAF outcomes is tenuous at best, but is central to those of the UNDP Country Programme. It is also part of a flagship product line of UNCDF that has been applied in many countries worldwide.

on, among other things, “linkages between participatory planning and local development and policy reform”¹².

The Country Programme document also noted that “in promoting democratic governance and human rights, UNDP will contribute to the goals of the Millennium Declaration, PRSP goals for good governance and ICT development and UNDAF Outcome 1”¹³.

The latter is worded as follows: “the human rights of children, women and vulnerable groups are progressively fulfilled within the foundations of strengthened democratic governance.” This is the sole outcome that addresses governance directly in the UNDAF and is clearly focused on human rights and the LGSP-LIC therefore can only be said to support it tangentially. The effects of the LGSP-LIC are only related to the participatory management of resources at the local level and its relevance to human rights is not meaningful. Any future UNDAF outcome related to the LGSP should be couched in terms of the development of accountable and participatory institutions and systems of governance at the local level.

¹² UNDP Country Programme: 2006-2010, p.3

¹³ United Nations Development Assistance Framework in Bangladesh: 2006-2010, March 2005.

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Table 9: Relationship Between Different Layers of National and UN Priorities				
UNDAF National Priorities	CCA Rights Clusters	MDGs	UNDP Country Programme	PRSP Strategic Blocks
Democratic Governance and Human Rights	Participation and Protection	Millennium Declaration	Economic growth and poverty alleviation Democratic governance and human rights	Ensuring Participation, Social Inclusion and Empowerment Promoting Good Governance Service Delivery
Health, Nutrition and Sustainable Population	Survival	MDG 1, 4, 5, 6, 7	Reduction of social and economic vulnerability	Social Development Service Delivery Caring for Environment and Sustainable Development
Education and Pro-Poor Growth	Livelihoods	Millennium Declaration MDG 1, 2 and 8		Macroeconomic Environment for Pro-Poor Economic Growth
Social Protection and Disaster Risk Reduction	Participation and Protection	Millennium Declaration MDG 7	Sustainable environmental and energy management	Ensuring Participation, Social Inclusion and Empowerment Critical Sectors for Pro-poor Growth Effective Safety Nets and Targeted Programmes
Gender Equity and the Advancement of Women	Participation and Protection	MDG 3	Gender equality and the advancement of women	Ensuring Participation, Social Inclusion and Empowerment
Protection and Prevention against HIV/AIDS Survival	Survival	MDG 6		Critical Sectors for Pro-Poor Economic Growth Human Development: Investing in People - Health

Presumably referring to the SLGDP, the Country Programme goes on to state that “successful local governance interventions that give women and the poor greater voice and improve their access to public services will be replicated” and that “policy advocacy, especially for fiscal decentralisation, will follow from lessons learned”. With reference to information and communications technology, it committed UNDP to help the government to introduce e-citizen services, reaching rural communities and benefiting both men and women. The extent to which the LGSP-LIC actively targets the poor

is discussed further below and its contribution to the attainment of the MDGs is difficult to assess (see above).

Table 8 illustrates the relationship between macro priorities in all of the key documents discussed and their relationship to the development outcomes stated in UNDP country programme under the Bangladesh UNDAF 2006-2010.

The LGSP-LIC is consistent with key objectives of the UNDP Country Programme.

LGSP-LIC is consistent with the paramount objective of poverty alleviation of the UNDP's Country Programme although it does not actively target the poorest members of society. It is perceived to reinforce the 'improved public management for good governance' programme area of the CCF, and to support, and benefit from, UNDP's role as the lead partner of the GoB on governance. Joint funding was, therefore, considered to be mutually beneficial.

The rationale for LGSP-LIC is to fulfil UNCDF's international strategy to support participatory, decentralised, planning and financing of development activities through area-based Local Development Funds (LDF). The LDF strategy, providing investment resources complemented by technical assistance ascribed the following aims:

- To contribute directly to poverty alleviation and socio-economic development,
- To increase the responsive and accountable service-delivery capacity of local government bodies in the project area, and
- To have a wider influence through learning from experience to derive policy lessons which are of relevance for the evolution of participatory, poverty-oriented local governance in the particular country.

Indeed, the SLGDP and LGSP-LIC are part of a standard UNCDF product line that has been adapted to conditions in Bangladesh and implemented as a pilot to demonstrate the principle of fiscal decentralisation and to inform policy through demonstration.

The project has addressed several practical constraints to decentralisation to the Union Parishad consistent with its objectives, but additional constraints need to be addressed to enable decentralisation in the true sense.

VD. Relevance to the Critical Constraints to Decentralisation

Local government has been repeatedly identified as a key strategic sector for improving governance and development in Bangladesh. Considering the political economy and the Constitutional commitment, decentralization is an imperative to improve service delivery, respond to the demand of the civil society, resolve conflict, address the technological changes and meet the challenges of the growing urbanization. International lessons also draw a broad conclusion that decentralization is not only a political process of creating accountability but also is the best means to bring government closer to people and institutionalizing democracy. Empirical data across the continents reveal that at least 3 Fs are essential to make any decentralization process successful¹⁴; Functions, Finance and Functionaries. In Bangladesh unfortunately there has always been a severe imbalance between the 3Fs. Finance and Functionaries have always been a perennial problem. Empirical

¹⁴ Ahmed, Junaid, (2007), *Local Governments: International Experiences*, paper presented to National Workshop on Strengthening of Local Government Institutions, Dhaka, National Institute of Local Government. 20 March 2007

evidence¹⁵ suggests some invisible but serious challenges that characterize the governance of the rural local government. These are: i) Continued centralized control over the UP (and thus local government) maintained through the administration and the limited resources at its disposal⁴; ii) The critical and often hidden role of Members of Parliament (MPs) and other political actors; and iii) the poor understanding of the UP's role both among its members and the wider population. Table 8 presents the critical constraints to decentralization in the context of Bangladesh and it also shows how LGSP-LIC has directly or indirectly contributed eradicating some of these constraints to decentralization.

Table 10: The LGSP-LIC's Response to Constraints to Decentralisation		
Nature of Constraints	Consequence(s)	LGSP-LIC Response
Limited understanding of UP functions among public	Community members at UP level are rarely consulted and harbour low expectations.	Para and Ward level meetings for selecting development schemes of their choice, Open budget meetings strengthening accountability vis-à-vis the public. Sign boards placed in each UP listing 38 UP functions.
UPs lack capacity to utilize funds effectively	UP being dependent on central government and line department funds.	Direct block grants to UPs to demonstrate absorptive capacity and effective use.
Low awareness	UP members only partially aware of their formal responsibilities, and often lack the skills and resources required to discharge them.	UP members awareness level increased because of their active involvement in WDC and local development schemes. Notice board placed near each scheme implemented with name of UP Ward member responsible, budget of the scheme, Minutes of meetings now readily available to the public at UP offices.
Power of Chair	The Chairman is placed in a relatively powerful position, and often takes decisions in conjunction with a small circle of associates in a non-transparent manner. Use of funds unknown.	Institutionalizing mechanisms of downward accountability and introducing participatory planning and management processes.
Exclusion of women	Women members are generally excluded from major decision-making arenas and women's needs are not addressed.	Women's involvement in WDFs and at least 30% of projects and 30% of the block grants are invested in projects identified by women members. Specific seats in key committees reserved for women.

¹⁵ Akash, M.M. (2009), *Prostabito budget O Shtahneo Sarkar : Trinomuler Jonogoner Prottasha* (Proposed Budget 2008-09 and Local Government: Expectation of the Grass Roots People (a research paper in Bangla), Dhaka: Governance Coalition; Hossain, Zillur Rahman (2001), *Actors and Roles, Community Capacities and Local Governance*; Dhaka: Power and Participatory Research Centre; and Majumdar, Badiul Alam (2009) Union Parishads in Transition, The Daily Star, 12 August.

Table 10: The LGSP-LIC's Response to Constraints to Decentralisation		
Nature of Constraints	Consequence(s)	LGSP-LIC Response
Limited and insecure revenue base	UP has limited capacity to raise revenue because of public mistrust.	Community ownership has led to an increase in local revenue mobilization. Additional block grants available as a result of improved performance.
Centralized project and programme design	Projects are designed and decisions taken at the ministry and delegated to Upazila-based line departments for implementation.	UP level planning mechanisms introduced involving community, UP Chair and members and other line agency officials.
Weak relationship between community and elected representatives	Relationship between elected representatives and community is characterized by mutual mistrust,	A relationship of mutual trust between the community and the elected representatives is restored by ensuring increased level of participation of communities in all important affairs of UPs and by establishing a system of transparency
<i>Adapted from: Aminuzzaman Salahuddin M, Local Governance Development in Bangladesh, Lessons Learned and Challenges for Improving Service Delivery of Union Parishad (UP), December 2009 p.3-4</i>		

The project has demonstrated the viability and addressed some of the critical constraints to fiscal decentralisation.

The project has demonstrated the viability of fiscal decentralisation and has addressed some of the critical constraints to fiscal decentralisation. This is consistent with the project's intended objectives. A number of constraints still remain to be addressed for broader decentralisation to take place. For the most part, these need to be addressed on a comprehensive, national level and may be summarised as follows:

- Absence of a comprehensive national policy on decentralisation covering administrative arrangements, legislative framework, human and other resources assignments, the integration of local processes and plans into national frameworks and the overall strategic direction and objectives of the decentralisation process.
- Lack of clarity in the role and functions of different levels of government – particularly the Upazila and Union Parishad levels.
- Efficient and timely access to essential technical capacities required to implement mandated functions – particularly at the Union Parishad level.
- The all-pervasive role of political parties in resource allocation and decision-making at all levels.
- Competing interests of different agencies in a vaguely defined deconcentration of roles and functions.
- Capacity and data available for planning.
- Connectivity and communication mechanisms between the central and most local levels.

VI. PARTNERSHIPS

VI.A: Key Stakeholders

The *principal partners* under the LGSP-LIC are the UNDP, European Commission and DANIDA, all of which are providing cost-sharing resources.

Major external partners who are funding the LGSP in parallel with the LGSP-LIC and whose programme activities under the LGSP are to be influenced and informed by the experience gained under the UNCDF/UNDP/European Commission/DANIDA assistance. European Commission, DANIDA.

Table 11: Role and Contribution of Partners in LGSP		
Partner	General Role	Specific Support
World Bank	Funding overall LGSP	IDA loan of US\$130 million under LGSP I. LGSP II currently under preparation.
Swiss Development Corporation	Funding overall LGSP	Funds TA component of broader LGSP ("Sharique" project).
European Commission	Funding LIC component	€ 5 million for block grant and TA. € 4.8 million for block grants from food security support.
DANIDA	Funding LIC component	DKK 12million (US\$2 million) for transparency and accountability component targeting Parliament, local government, sectoral service providers).

The principal *national partners* in government are the Ministry of Local Governance, Rural Development and Cooperatives, subsidiary departments of the ministries at the Upazila level, the Union Parishads and their committees.

Target groups are the communities below the level of the Union Parishads, community based organisations at the Union Parishad level and below and private contractors or national NGOs providing services at the Union Parishad level and below.

VI.B: Exploiting External Linkages and Synergies

Potential synergies with ongoing projects and programmes remain underexploited.

Table 12: Donor Projects of Particular Relevance to LGSP-LIC
<p>Small Initiatives by Local Innovative NGOs (SMILING) of the EU The SMILING project of the EU targets small, locally based NGOs to reach the most disadvantaged. The project seeks to provide capacity building to enable community based organisations to sustain their activities in the areas of health, education, water supply, sanitation, environmental protection and governance.</p>
<p>Sharique project of the SDC One of the key principles of the programme is to make local governance benefitting the poor, women and marginal groups. The programme works closely with the Union Parishads (closest to the people) and Upazila Parishads. They are trained and encouraged to manage public affairs in a more transparent way, being accountable to the citizens especially the poor, women and marginalized. On the other hand the programme also strengthens the voice of the citizens. They are encouraged to participate more responsibly in local planning and decision-making processes. The project sensitizes the Union Parishads, Upazila Parishads, communities, civil society and private sector about their basic rights, roles and responsibilities.</p>
<p>Participatory Rural Development Project (Phase II) of JICA 1) Union Development Officers (UDOs) and Organizers, responsible for overall coordination at Union Coordination Committee (UCC), are institutionalized in BRDB. (2) UCC functions as a platform to facilitate overall coordination among Upazila, Union, and Villages. (3) Village committee (VC) functions as an organization to ensure villagers' participation in rural development process in order to contribute to the improvement of the villagers' quality of life. (4) The operational system of the Link Model is established in BRDB. (5) The system of human resource development, aiming at the UDOs, Organizers, VC members, staffs or concerned rural development department / agencies, representatives of local government bodies and NGO staffs, is</p>

established and enhanced.

There are several local level governance-related initiatives supported by bilateral agencies that are of some relevance to the LGSP-LIC. A local governance thematic group meets fairly regularly to share information and could serve as a mechanism for:

- Launching actual substantive programme interaction;
- Exploring areas for future collaboration;
- Ensuring that approaches and strategies are consistent; and
- Sharing and learning from experience gained.

All indications are that collaboration among the agencies involved in the thematic group has improved considerably over the past several years and that that the thematic group holds out promise as a forum for substantive collaboration. A list of thematically relevant donor projects is contained in Annex X. Although the evaluation team did not have time to analyse them in any depth, Table 10 contains a few projects that may merit particular attention as they are attempting to achieve similar goals in terms of participatory planning, transparency and accountability and the delivery of services at the local level. Their approaches, modalities and strategies differ in substantive ways, however, and merit some rationalisation. It should be noted that although the UNDP/UNCDF LGSP-LIC project purportedly serves as the innovation and learning component of the much larger LGSP initiative,¹⁶ according to the SDC and the Sharique project personnel themselves¹⁶, it is the Sharique project that constitutes the technical assistance component attached to the World Bank LGSP IDA loan. Substantive collaboration is therefore essential if the LGSP-LIC is to fulfil its role.

VI.C: Exploiting Linkages with other UNDP Projects

Although the evaluation team did not have the time to sufficiently review the UNDP-funded Rural Employment Opportunities for Public Assets (REOPA) project, the potential for synergies with LGSP-LIC are obvious and merit further exploration while preserving their individual objectives and focus. Both projects fall under the Ministry of Local Governance and Rural Development and Cooperatives. Both operate in the same six districts of Habigonj, Narsingdi, Feni, Sirajganj, Satkhira and Barguna.

REOPA targets the poor with three principal objectives:

1. Increasing the income of destitute women and landless poor by providing employment;
2. Improving public assets for the benefit of rural communities; and
3. Strengthening Local Government Institutions for better response to pro-poor growth.

There appears to be no discernible linkage between the REOPA and LGSP-LIC block grants according to those interviewed by the MTE Team.

¹⁶ Based on a group interview with SDC staff and the Sharique project manager (see list of persons met in the Annex IX).

Potential synergies with the REOPA project appear to have been insufficiently explored and exploited.

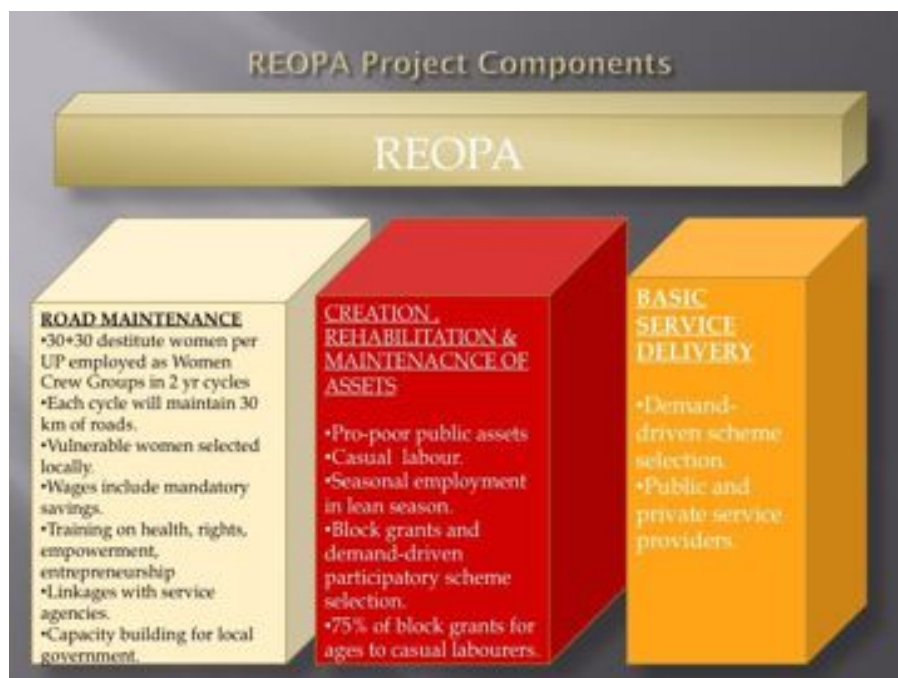


Figure 6: Rural Employment Opportunities for Public Assets Components

The REOPA project is focused on the mobilisation of the rural poor for the rehabilitation, maintenance or construction of essential public assets as well as service delivery.

There are clearly synergies with LGSP-LIC in that infrastructure schemes implemented under the LGSP-LIC will require continued management and maintenance over time. More substantively, LGSP-LIC, as discussed elsewhere in this report, would benefit from more effective targeting of the poor if it is to indeed be viewed as a pro-poor project and the joint development of approaches and strategies for the purpose of the targeting of beneficiaries would be very valuable should it be deemed that the targeting of the poor is of central importance as is implied in the statement of project objectives.

As with the LGSP-LIC programme, implementation of REOPA is in the hands of the UP and capacities developed for the purpose would benefit both programmes.

Any attempt to further develop the role of the WDF would benefit from joint support from LGSP-LIC and REOPA as objectives of the two projects overlap with respect to women and access to services as well as income generating activities.

Finally, monitoring mechanisms established – particularly of a socio-economic nature would serve the purpose of supporting the monitoring project outcomes for both projects and would benefit from being jointly developed and implemented – perhaps even with common computerised databases.

The project has successfully consolidated earlier innovations. The challenge is to continue to innovate in order to enable UPs to fulfil their mandated functions and to broaden the scope of true decentralisation.

Now is the time for further innovation with a view to supporting decentralisation.

VI.D: The Learning Function: Communication and Dissemination

In keeping with the project's name, the piloting of innovations is the principal rationale for implementation of the LGSP-LIC.¹⁷ However, as can be seen from Table 10, most of the innovations registered under the LGSP-LIC were first introduced under the SLGDP and have merely been replicated and consolidated under LGSP-LIC. Additional innovations under LGSP-LIC have been limited to minor process-oriented initiatives that only in some cases have been in place long enough to judge their effectiveness.

It can be said that the project is now approaching the end of a consolidation phase, and some additional work needs to be done to ensure that mechanisms and processes that have proven to be effective are fully adopted and institutionalised in all the UPs of the 6 LIC districts.

The increased number of districts under LGSP-LIC (as opposed to SLGDP) provide a broader range of conditions under which the pilot innovations under SLGDP could be applied and demonstrated to be viable.

The innovations to date are ones that have been implemented in one form or another as a part of UNCDF's standard product local development fund product line (with key adaptations to the Bangladeshi context). Further innovation will require thinking "outside the box".

Now is the time to develop strategies for the next steps in this process of decentralisation. Remaining within the overall framework of the functions deconcentrated to the UP level, the project should now consider expanding the role of the various bodies at the UP level to enable it to more fully address the functions delegated by law. Innovation will consist of:

- Identifying new sources of funding for block grants to the UP level;
- Developing new sources of funding and mechanisms for accessing technical capacity required for effective service delivery in sectoral areas such as agriculture, health and education;
- Feed lessons learned into a coordination and policy development forum that will ultimately lead to a comprehensive decentralisation policy that addresses the legislative lacunae that exist, the administrative, human resource and funding requirements of true decentralisation.

Table 13: Innovations Piloted or Replicated Under the SLGDP and LGSP-LIC Programmes

Area	Innovation	SL GDP	LIC	Details	Outcome
Revenue Collection	Self-assessment of tax		√	Taxation rates are established through meetings with open participation.	Revenue increase and services expanded.
	UP level revenue collection	√	√	Mainly from real estate holdings. Maximum 300TK per year per household	Revenue increased and services expanded
	UP level administration of revenue along with	√	√	Administered through WDC, UPPC, SSC. Subject to same audit	Services expanded.

¹⁷ It should be noted that the term "innovation is used in the context of Bangladesh and in practice has involved the transfer and adaption of models and approaches applied under UNCDF local development fund projects elsewhere in the world. So, this project has involved innovation in the context of Bangladesh – not in absolute terms. It has entailed the application of what has become a well developed UNCDF product with adaptations to fit the local context.

Joint Mid-Term Evaluation:
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Table 13: Innovations Piloted or Replicated Under the SLGDP and LGSP-LIC Programmes					
Area	Innovation	SL GDP	LIC	Details	Outcome
	block grants			practices.	
	Family passbook for tax collection		√	Family members required to declare composition of family, services received and cost of services, and taxes paid before receiving additional services.	Revenue increase as families voluntarily fill passbooks in order to receive more services.
Participation	New mechanisms for informing community members	√	√	Contingency funds for notice boards in all scheme budgets. Display budget, scheme specifications, commencement and completion dates.	Increased awareness on part of community?
	Participatory project identification (WDC)	√	√	Proposals collated by members, prioritised by WDC (open meeting)	In legislation. Community buy-in.
	Project selection (UPPC)	√	√	Screened/reprioritised (closed door)	
	Participatory project supervision (SSC)	√	√	Payment of instalments subject to certification. Collaboration with UPZ Engineer.	
	Sectoral selection card		√	Introduced in a few UPs. Enables community members to recommend sectoral priorities.	Too early to assess. Needs further study.
	Community contracting	√	√	Modalities unclear. Mostly direct community contracting.	Community commitment to maintenance, income for poor.
Women's participation	30% rule	√	√	30% of budget and 30% of positions blocked for women's priorities and women members.	Actual outcome should be subject of a concerted study.
	Women's Forum (WDF)	√	√	Forums established at Upazila level and include members of WDC and SSC at UP level. Advice to UPZ Chair or vice-Chair.	Strong advocacy role developing. Peer support mechanisms evident.
	Solutions for sustainably funding WDF activities		√	Income generation schemes including garment sewing introduced in some WDFs.	Resources generated have enabled women to hold special session meetings
Transparent Use of Funds	Open budgeting	√	√	Public is entitled to attend open budget sessions of the UP and ask questions.	Increased community confidence in the administration of UP affairs. Actual functioning needs to be assessed in more detail.
	Performance based	√	√	Introduced in Siranganj	Drive to fulfil

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Table 13: Innovations Piloted or Replicated Under the SLGDP and LGSP-LIC Programmes					
Area	Innovation	SL GDP	LIC	Details	Outcome
	block grant			and further refined under LGSP-LIC. UPs have to fulfil some conditions to receive expanded and supplementary grants	performance criteria. Needs further study.
	Systematic minimum criteria for performance assessment for Extended Block Grant (EBG) and Supplementary Block Grant (SBG)		√	LGSP has minimum conditions (MC) for the EBG and they have to be met to get SBG. Then there are supplementary MCs for the access to SBG.	UP's performance assessed and ranked by the Local Government Department each year. Based on this assessment, better-performing UPs selected. System is completed for all LGSP and therefore also LIC districts.
	Intergovernmental fiscal transfers of block grants at UP		√	Block grants (EBG and SBG) to demonstrate that UP can plan and use discretionary grants	LIC piloting in 6 districts shows that absorptive capacity is there and that Ups can handle increased resources.
	Private auditing to supplement government audits.	√	√	Private audit firms audit UPs once a year to supplement Comptroller and Auditor General's sample audits.	LGSP and block grant requirements fulfilled.
Computer-based Monitoring System	Relatively simple monitoring system developed and introduced.		√	Monitoring system is still under preparation, but for the moment focuses on performance criteria.	Too early to tell.

Consolidation has been valuable in that it serves to fine-tune the approach and to demonstrate that the approach can indeed be replicated. However, once this consolidation has been completed, replication and scaling-up should be undertaken under the World Bank-financed LGSP. Continuation of UNDP/UYNCDF involvement in any future phase should be linked to an attempt to move beyond generalised grants, to using block grants to fulfil some of the sectoral management responsibilities accorded to Union Parishads under the Local Government Act. This requires “innovation” in the context of Bangladesh with a new approach that is geared more clearly to the delivery of sectoral services.

VII. ASSESSMENT OF RESULTS

VII.A: Results in Relation to Intended Outcomes and Outputs

Project implementation began rather later than expected and has currently been underway for only 2 years as a result of the delays. Nevertheless, results are visible and are summarised in tabular form in relation to expected

Implementation is largely on track though capacity building is hampered by a lack of strategic direction.

outcomes and outputs in AnnexV which should be read as an integral part of this section of the report.

The MTE Team has verified that the Project is very much on target and is achieving all of its intended outputs with the exception of output 4, which focuses on development of a national LG training strategy. Training has been carried out for UPs, Upazila and central government officials but not under a strategic framework for decentralisation.

There are many reasons for this but one of the major ones is the absence of a clear human resources development strategy that provides clarity in the training needs. Meetings with the NILG management confirmed the absence of a strategic approach to training and capacity building. It is late in the implementation process to focus on such an important undertaking as developing a national strategy on LG training and capacity building. It is recommended that this be deferred and taken up under the coming proposed project for the Upazila and UP levels. This would also enable the overall deconcentration of sectoral services to be taken properly into consideration.

VII.B: Effectiveness

In measuring effectiveness, the MTE Team has chosen not to confuse compliance with effectiveness. Compliance sets the basic prerequisites for the grants to be disbursed. Effectiveness is more in terms of the way in which the institutions established have performed, their outputs, and to the extent possible, their outcomes. Compliance with the basic requirements is high and is covered in some of the tables (e.g. Table 13).

The Project Annual Report (2009) states that around 8 million people have either directly or indirectly benefitted from the development schemes implemented by the UPs through SBG. It is not possible for the MTE Team to verify such statements, as there is no baseline data or scheme beneficiary data backing up such statements. Indeed, it is not clear how it has been determined whether a member of the community has actually benefitted from a given scheme. Anecdotal evidence would suggest that any scheme placed in a community has been said to benefit the entire community, thereby inflating the figures.

Furthermore, it is not possible to substantiate that “marginalized people are getting enormous benefit from the project as the development schemes are almost in the rural level and remote villages” as this is based on a loose assessment of potential inhabitants in UPs surrounding the schemes rather than a direct analysis of scheme beneficiaries.

Focusing on women’s issues through the 30% rule is very useful and has created more efficiency in terms of local participation and transparency but a more stratified view on women would be useful to better target the rural poor women to get their due share in the development process.

Through documentation and field visits it has been found that the schemes are planned, prioritised and implemented at local level, which is a very mundane finding, but not the least important because they have direct impact on the life of the surrounding community. The planning and open budget meetings seem to create some enthusiasm from the community side, and have an effect on a more efficient plan and budget system that contributes to the implementation of good quality local development schemes.

Through participation, the project has created/generated strong ownership at UP and community levels.

PARTICIPATION

Out of 388 UPs, 367 had open budget sessions in 2010, 264 in 2009 and 174 in 2008. More than forty thousand persons are said to have participated in open budget sessions. District facilitators informed the evaluation team that records of participants are regularly maintained. It is not entirely clear, however what the quality of these meetings were. In interviews conducted by the evaluation team, it is clear that some meetings involved considerable give and take between the members and participants from the community, but in other cases the extent of the dialogue was not so clear.

WDCs arranged for notice boards to be placed in all of the scheme sites, making information such as amount of funds, planned duration of works, names of committee members in-charge of implementation, volume of work, logos of development partners and the source of fund public to all community members and intended beneficiaries.

WDCs from approximately 98% of the UPs organized ward level meetings on a quarterly basis. The meetings were attended by WDC, SSC, UPPC members and community representatives and revisited the development activities undertaken by UPs with LGSP, LGSP-LIC and other funds.

13 standing committees are said to have been formed in all of the LIC UPs. However, it is estimated that around 60% of the standing committees are active in 50% of the UPs.

In all 41 Upazilas, the UP Chairmen's forum has continued meetings and dialogue aimed at improving performance, sharing best practices and plans to overcome shortcomings. The Upazila Chairman as well as the UNOs also take part in the discussion.

All 41 Upazila Women Development Forum hold quarterly meetings. The WDF's visited by the evaluation team indicated that they also hold events or meetings to observe International Women's Day and Begum Rokeya Day. So far WDFs are very active in at least 50% of Upazilas.

In a recent survey¹⁸ in LGSP-LIC areas, 48% of respondents, or about one third more, said that monthly meetings are regularly arranged in Union Parishads than the 35.5% of respondents in Non-LGSP UP that said that such meetings are held (see Table 11). However, it was noted that prior to the meetings, in LGSP-LIC areas the public was informed through members, chawkidars and other inter-personal communication channels. In Non-LGSP areas "meetings" recorded included any type of gathering in the UP office where the UP Chairman, members and others are present. The statistics did not record whether the meetings were open or not. Nor did they record whether minutes of meetings were maintained.

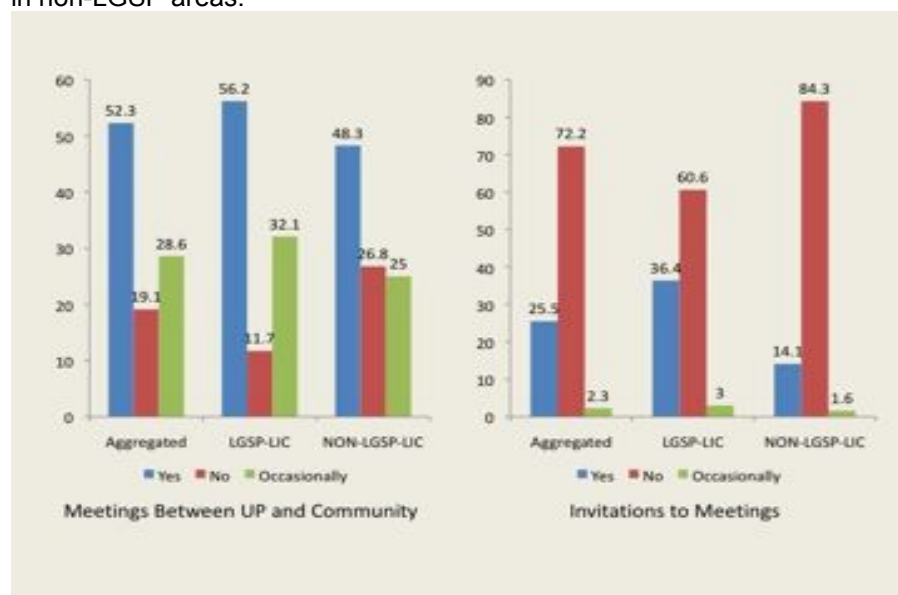
¹⁸ UNDP, Baseline Survey on Information Education and Communication (IEC) by Development Consultant and Global Compliance Initiative (DCGI), 8 June 2010, p.

Table 14: Frequency of Union Parishad Meetings						
	Aggregated		LGSP-LIC		NON-LGSP	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Arrange Regularly	528	41.9	308	48.0	220	35.5
Arrange Occasionally	159	12.6	54	8.4	105	17.0
Does not Arrange	50	4.0	15	2.3	35	5.7
Cannot say/Don't know	524	41.6	265	41.3	259	41.8
Total	1261	100.0	642	100.0	619	100.0

Significant gains have been made but there is more work to be done by facilitators to institutionalise participation in open budget and planning meetings.

The same survey found that 99% of respondents know their Union Parishad (UP) members or chairman and 81% of respondents meet with them in the non-LIC LGSP areas. The latter figure is higher in the LGSP-LIC UPs (88%) while the level for Non-LGSP UPs is 73%.

Of the respondents, about 28% said that they are invited regularly to open UP budget/planning meetings. More than 39% of respondents in LGSP-LIC said that they are invited to such meetings while only 15.7% respondents in Non-LGSP areas responded accordingly. About 37.4% people said that they had attended such meetings in the LGSP-LIC areas, compared to just 18.4% in non-LGSP areas.



In LGSP-LIC areas, more than 88% respondents said that the UP office remains open regularly while 4.7% respondents said that the UP office

Table 15: Presence of Established and Functioning Scheme Supervision Committees						
District	Yes		No		All	
	N	%	N	%	N	%
Sirajganj total	192	96.0	8	4.0	200	100.0
Sirajganj	192	96.0	8	4.0	200	100.0
LIC						
LIC total	560	94.6	32	5.4	592	100.0
Satkhira	120	100.0	0	0.0	120	100.0
Feni	116	98.3	2	1.7	118	100.0
Narsingdi	114	95.0	6	5.0	120	100.0
Barguna	106	88.3	14	11.7	120	100.0
Habigonj	104	91.2	10	8.8	114	100.0
Non-LIC						
Non-LIC total	277	80.5	67	19.5	344	100.0
Kurigram	52	78.8	14	21.2	66	100.0
Narayanganj	50	87.7	7	12.3	57	100.0
Sunamgonj	50	98.0	1	2.0	51	100.0
Khulna	39	75.0	13	25.0	52	100.0
Pirojpur	35	60.3	23	39.7	58	100.0
B.Barua	51	85.0	9	15.0	60	100.0
Overall	1029	90.6	107	9.4	1136	100.0

remains open occasionally. In the Non-LGSP districts 60.7% respondents said that their UP office remain regularly while 15.8% said that it is open occasionally.

The project has facilitated 90 Union Parishad Planning Committees (UPPCs), 810 Ward Development Committees (WDCs) and 810 Scheme Supervision Committees (SSCs) in 90 UPs in the 6 LIC districts.

The data (see Table 12) suggests that in the LIC areas most of the Scheme Supervision Committees (SSC) are functioning regularly. Yet additional work still needs to be done to raise the numbers to 100%. The difference between the LIC and non-LIC areas probably reflects the importance of the facilitation function at this early stage of project implementation.

The project has enabled communities to access infrastructure and services where none existed before and overall satisfaction levels are high.

ACCESS TO INFRASTRUCTURE AND SERVICES

The SSCs have overseen the implementation of about 5,000 (aggregate figures from FY 2008/09 and FY 2009/10 M&E data plus a guestimate for schemes implemented so far during FY 2010/11 – see Annex VI for details) schemes in about 270 UPs in the LIC districts. Table 13 provides a breakdown of number of schemes and the supplementary block grant allocations along with the project's estimate of the number of beneficiaries for FY 2008/2009. It is the opinion of the evaluation team that the actual

beneficiary numbers should be treated with caution as the mere presence of some beneficiaries in the vicinity of the scheme probably qualified them as beneficiaries for statistical purposes.

Table 16: No of Schemes Supervised by SSCs in the LIC Districts						
SL	District	Estimated SBG/TK	No. of Schemes	No of Beneficiaries (est.)		
				Male	Female	Total
1	Borguna	10332174	185	92949	76821	169770
2	Feni	15290890	257	233987	182226	416213
3	Hobigonj	18301972	280	280793	289500	570293
4	Norsingdi	19038651	319	365515	272160	637675
5	Satkhira	24564021	359	301040	261242	562285
6	Sirajganj	34272292	500	464906	387703	852609
Total		121,800,000	1900	1,739,190	1,469,652	3,208,845

Project effectiveness in terms of overall performance is satisfactory and even in some areas highly satisfactory. The Project has been able to capacitate the UPs and local people to implement the planning process and execute the selected activities. . Planned schemes have mostly been implemented according to schedule and only minor delays have been incurred. Roughly half the funds allocated for the SBG were spent at the halfway mark of the Project (see section on “Overall Delivery” for more details).

The purpose of the Project is improving the capacity of the UPs to deliver pro-poor infrastructure and services in an effective, efficient, equitable and accountable manner. Interviews with beneficiaries at the community level would suggest that they are in general confident about the overall process involved, that the funds are being properly utilised and that infrastructure and services are being provided where none were available before the project.

The UPs have a wide range of investments to chose from in their discretionary planning process, however the last year shows a marked preference for earthen works/small footpath schemes as the EU funds for block grants had a conditionality of 75% labour inputs for any scheme to be selected. This hampered to a certain extent the local prioritisation process, but UP leaders and community member seem reasonably content with the selected schemes and their timely implementation.

The schemes are implemented, except a few minor activities due to local disputes, and have resulted in the establishment of local committees for planning and scheme implementation that actively monitor development activities. Judging from the visits to 6 Unions in 2 of the 6 districts, the project has motivated people and UP/Upazila staff in ways that would not have been imagined even 3-4 years ago. The selection process of Unions includes financial and social audits that seem to be carried out as prescribed.

The planning process has been instrumental in involving local people in equitable ways, in particular women. There is however some doubt whether the very poor are sufficiently involved in this planning process, and therefore targeted by Project interventions. This is not only in terms of possible lose of income if they attend meetings but also in the wider scheme selection process it is not clear how poorer segments of the UP population are actively targeted. This would need further study in terms of establishing how to actually address the poorer segments of UPs in a more inclusive and active way.

The rural community are to some extent enjoying better access to services due to the Block Grants given to UPs, which includes capacity building support, transparency and accountability exercises and improved Public Financial Management at UP level. People seem to be directly benefitting, as they are able to get needed services and they participate in planning sessions and Open Budget Meetings. The community involvement in local development initiatives has enabled a process of community based quality assurance of the local development activities. The MTE visited a number of UPs and can confirm that scheme information is readily available to the communities, which ensures a high degree of "value for money" in carrying out the activities and a degree of community oversight that ensures accountability.

Block grants have brought greater predictability in budgetary resources enabling rational planning and efficient utilisation of funds at the UP level.

These discretionary funds have for the first time empowered UPs and the communities to decide on their own priority development schemes and plan and implement them. With increased focus on financial management and proper planning the UP has to demonstrate that they are capable of managing finances as well as enhance their accountability. While the schemes are limited in size and scope and often involve earthen works/foot paths and water canals they do have secondary benefits such as easier access to health clinics and schools and benefitting the local community through ensuring their greater mobility, transportation facilities and access to markets other facilities.

Interviews during the field visits would suggest that the Block Grants have brought greater budgetary certainty in the allocation of annual development grants as compared to routine Annual Development Plan (ADP) grants that flow through the Upazila level and not directly to UP level.

The fact that UPs are given an indicative planning figure for the coming year's budget has allowed them to engage in more rational planning and budgeting and fund utilization. And finally, there is now an incentive system for enhanced UP performance in the key financial management and accountability/transparency areas.

ACCOUNTABILITY AND TRANSPARENCY

Participatory systems of accountability and transparency have been established and have raised public confidence where confidence levels were dangerously low.

Increased participation of the public in critical decision-making processes, not least budget and scheme supervisory meetings, have in general raised accountability on the part of elected officials vis-à-vis the public by shining a light on critical steps in the development of infrastructure and the provision of services.

The Union Parishad Planning Committee (UPPC) is headed by the Chairperson of the UP Standing Committee for Public Works and the Chairman of the Finance/Establishment Committee (if this is not the UP Chairman then he/she is included) and the Chairperson of the Committee on Women & Child Welfare and finally the LGED Engineering Consultant.

WDCs have seven members and are chaired by male/female ward members and the other 5 members are from the local community. The responsibilities of the WDCs are: (i) to organize PP sessions at ward level, (ii) to develop the scheme proposal based on the priority of the community in the PP sessions, and (iii) to organize ward level quarterly progress review meetings.

The Scheme Supervisory Committees (SSCs) have 7 members and are comprised of members from communities where the schemes are being

implemented. The SSCs are responsible to ensure quality of schemes and report back to UP level. All the committees should have 30% women representation. The creation of WDCs and SSCs had a degree of transparency as in every ward a meeting was organized where 50 to 100 people participated and openly selected their representatives for WDC and SSCs. This process has ensured a somewhat unbiased selection of WDC and SSC members, which therefore ensures that the committees are relatively more representative of the full strata of local communities.

The transparency and accountability framework of the project helps the UPs to regain the trust of the community, which was at an almost dangerously low point in the recent past. Communities have to a certain degree enjoyed empowerment by being involved in the decision making process of scheme selection and to decide their own local development through participation in the participatory planning sessions and Open Budget Meetings. It is calculated that more than 3 million men and women have participated in these sessions. Para level participatory planning has brought the decision making process to the very heart of communities.

The revenue generation potential of the UPs has been enhanced/improved due to transparent and accountable financial practices. The capacity of the UPs has been improved substantially in terms of development planning, scheme implementation, office management, financial discipline, revenue mobilization, documentation and communication. All these improvements can more or less be directly attributed to LGSP/LIC outputs.

Schemes are being implemented by the trained WDCs with participation of community as outlined above. But the key factor in this process is that the SSCs are in charge of supervision and quality control and therefore also have to approve any work before payments are made. The fact that the schemes have a notice board placed openly on-site, ensures transparency that has for so long been lacking. Most of the implementation procedures are elaborated in the Harmonized Operations Manual, which lays out the institutional structures and the responsibilities of the various actors. A separate assessment manual for LIC areas includes additional minimum conditions and introduces some 9 Performance Measures. Furthermore, the UPPC screens schemes for their social and environmental impact based on criteria laid down in various regulations and guidelines.

A nationwide system for assessing the performance of UPs has been instituted under the LGSP that allows for a more qualitative assessment of the generic performance in areas such as PFM, accountability/transparency and budgeting.

The implementation of minimum conditions and performance measures has laid part of a foundation for greater reliable fiscal decentralisation.

Table 17: Minimum Conditions And Performance Measures

<ul style="list-style-type: none"> ➤ Minimum conditions (MCs) – these are the basic conditions with which LGs need to comply in order to access their grants, and they are formulated to ensure that a minimum absorptive capacity/performance (e.g. in terms of planning, financial management and administration) is in place to handle additional funds. ➤ Performance measures (PMs) – are more qualitative and variable measures of LG performance, and go into more detail within each functional area, such as the <u>quality</u> of the planning, <u>quality</u> of PFM etc. The measures are used to adjust the level of funds made available to LGs as and when they have complied with the basic MCs.
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This system was first tested under the SLGDP and later LGSP/LIC has refined the tool and produced a harmonized Minimum Conditions/Performance Measurement (MC/PM) Manual, which is now used to assess UPs countrywide in a phased manner (25% of District UPs first year then 25% again next and so on). It would appear that this process is on

track and UPs should be covered shortly.

Key outcomes of having piloted and further replicated this system under LGSP/LIC are:

1. Devolved performance-linked funding;
2. Participatory planning;
3. Infrastructure and service delivery;
4. Enhanced accountability;
5. Improved scope for central government oversight of UPs; and
6. Innovative procedures for enhancing women's participation.

Annual assessments/audits are conducted by impartial private firms, which, in the case of the LGSP are Standard Chartered Firms.

Open tenders for performance assessments and audits is perceived to have brought an added degree of impartiality and accountability that is appreciated by all stakeholders.

Under the LGSP-LIC, annual assessments/audits are open to public tender and are open to Standard Chartered Firms, other private consulting companies as well as NGOs that bid separately for each of the 6 districts. From the perspective of the UPs, this modality has brought a degree of impartiality in the assessment that is much appreciated, and from the perspective of MLGRD this increases their role as a more neutral arbiter of local level performance. The process of block grant disbursement directly to the Union level is in effect enabling UPs to deliver some basic public goods/services and legitimacy towards the wider local community which they didn't have before.

The Audit and Minimum Condition Assessment of UPs to get access to the EBG/SBG has improved the management performances as well as transparency of the UP activities. The flexibility of the use of funds has given scope to the community and the UPs to implement actual development schemes with local priorities.

Table 18: Some Positive Developments Under LGSP-LIC

<ul style="list-style-type: none"> • More than 3,000 UFT members have been recruited and trained. The UFTs have been providing the capacity building support to UPs as well as organizing local level PP sessions and revenue mobilization. • The schemes are being implemented by the trained WDCs with participation of community. The Scheme Supervision Committees (SSCs) are in charge of supervision and quality control. The scheme notice boards are ensuring the transparency in the implementation process. All the implementation procedures are elaborated in the Harmonized OM, which has been implemented. Considering the Social and Environmental framework, the Union Parishad Planning Committee (UPPC) plays a vital role in screening of local level scheme proposals sent by WDCs based on community needs. • Training has been provided to UFTs to impart skills in conducting training on scheme implementation, participatory planning, and technical aspects of the schemes as well as to mobilize the community. • Trained UFT conducted training for WDC, SSC and UPPC on participatory planning, scheme implementation, monitoring, and supervision, environmental and social safe guard, scheme screening, procurement policy, financial management etc. • In LIC districts, the Block Grant Coordination Committees (BGCCs) are performing the coordination responsibilities. The District Facilitators and the Upazila Cooperative Officers are playing a catalyst role to make the BGCC effective to technically coordinate UP plans.
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An operational manual for the use of discretionary block grants at the Union Parishad level has been developed, approved and implemented throughout the country in 2009. The operational manual of LGSP and harmonized manual of LIC has elaborated the strategy of participatory planning and budgeting. The OM elaborates the eligibility criteria, the transparency and

Systems and procedures for Union Parishads and the administration of block grants have been developed and introduced as part of a process of institutionalisation.

accountability framework, the formula used for the Block Grants as well as the monitoring and supervision of the Expanded and Supplementary Block Grants. The guidelines have also elaborated standard procurement procedures and financial/reporting mechanisms.

Furthermore, the government has passed the Local Government Act - Union Parishad of 2009 in Parliament, which has introduced Ward level meetings, Citizen's Charter, transfer of functionaries under UP jurisdiction (based on government decision).

These two main achievements are direct outcomes of work carried out under the SLGRP and later replicated in 5 additional districts under the LGSP/LIC. This demonstrates the effectiveness of the piloting activities carried out and the direct influence this has had on establishing national systems and legislation that now governs the use of Block Grants and planning and budgeting at UP level.

REVENUE COLLECTION

Revenue collected in LGSP-LIC UPs has grown steadily and may be viewed as a proxy indicator of the success of the project as a whole, but revenue sources need to be reviewed with a view to raising the revenue base without dampening economic growth.

Revenue collection has grown significantly in nominal terms in Union Parishads covered by the LGSP-LIC areas (see Figure 7). Total revenues collected annually in LGSP-LIC UPs has increased 128% in nominal terms between 2005-2006 and 2009-2010. Non-LIC LGSP UPs in the same districts have, on the other hand have fluctuated somewhat in their revenue collection, but have also increased about 55% between 2005-2006 and 2009-2010. Details of revenue targets and actual revenue collected in each of the Union Parishads in the 6 LGSP-LIC districts including both LGSP-LIC Union Parishads and non LIC LGSP Union Parishads, are provided in Annex XI.

Families are now required to pay taxes in order to be eligible to receive services from the Union Parishad. The introduction of "family cards" that record services received by each family in LGSP-LIC areas along with information on taxes paid as one of the innovations of the LGSP-LIC project has probably contributed to the success in broadening the revenue base; families have seen the value added of paying their taxes. As indicated to the MTE Team by one farmer in the community in Narsighdi, "we have, for the first time seen services being provided by the Union Parishad. We have seen the way in which our taxes are being used." It may be inferred that the rise in revenue collection is principally due to the significant rise in confidence among community members resulting from the openness of the processes introduced and the actual provision of services based on priorities expressed by the communities themselves. As such the rise in revenue collected can be viewed as a proxy indicator for the success of the LGSP-LIC project as a whole.

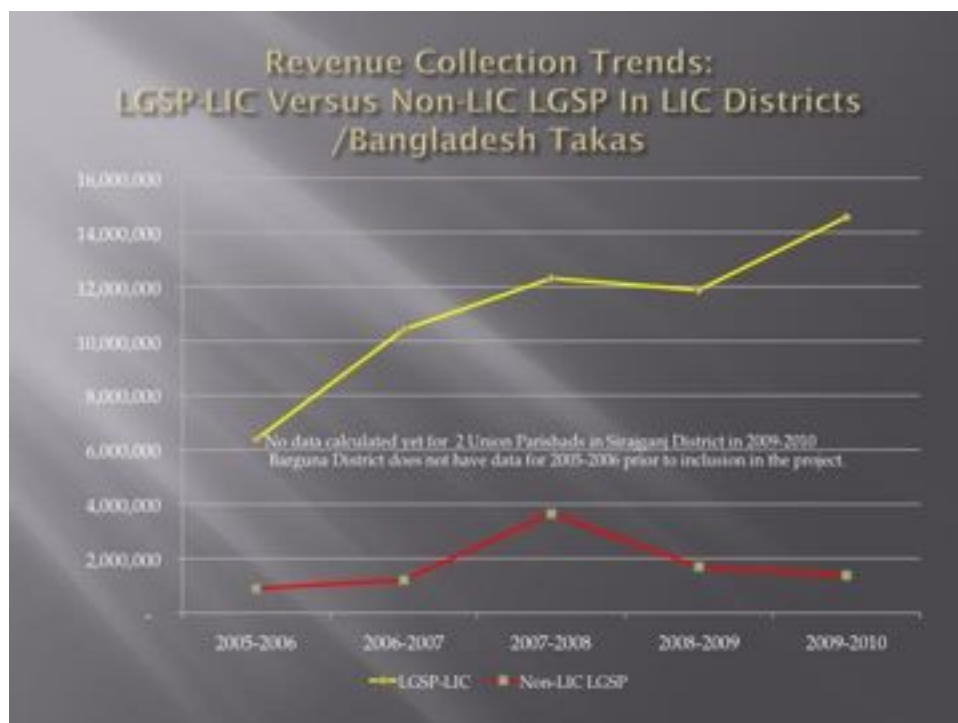


Figure 7: Revenue Collection Trends

It is not clear why non-LIC, LGSP Union Parishads – of which there are fewer in each of the LGSP-LIC Districts – have not apparently witnessed a similar, sustained rise in revenue collection. It is not clear why this is, but it is worth noting that the World Bank, LGSP areas that are not covered by LGSP-LIC do not have a similar complement of facilitators or staffing to ensure that the processes are introduced, that community members understand their rights and that the processes introduced function as intended.

The actual revenue collected, however, has each year, been significantly lower than the targets for revenue collection established by the Union Parishads themselves. It is not clear what the assumptions have been in establishing these targets nor how realistic they were to start with. A proper assessment would require considerably more time than was available to the MTE Team.

According to Union Parishad staff, the principal source of revenue actually collected has been from the land-holding tax. Currently the UPs have three sources of following formal revenue income. Besides these, UPs have many other opportunities to explore and generate revenue from optional and non-conventional sources.

- Own revenue: Own revenue consists of the holding tax (buildings and land), tax on trades, businesses, professions, advertisement cinemas, exhibitions and vehicles, registration and other fees, tolls, charges, fines. etc.
- Shared revenue: Shared revenue includes the 1% of the land transfer tax collected by the Land Registration office at Upazila level, 50% of market leOasing fees for one selected market within the UP and ferry concession fees.
- Transfer from central government: Transfer from central government includes the block grant allocation at Upazila level as part of the

national ADP (subsequently shared among all UP) and the UP direct block grants; grants for salaries and administrative costs; discretionary grants from government for development expenditure and grants/loans from donor funded programs/projects.

The major own sources revenue income of UPs are as follows:

- Holding Tax on buildings and land (excluding agricultural land) within the UP, tax levied on the basis of the tax assessment of holding (buildings and land) at the rate of 7% of the annual value of the buildings or land;
- Taxes on business, trades and professions with fixed amount imposed on 93 items,
- Taxes on advertisements, cinemas, vehicles fairs and exhibitions;
- Taxes on commercial activities within the UP
- Lease money from huts and bazaars, currently administered by Upazilas, with UPs receiving a share;
- 1% share of the nationally collected Land Transfer Tax;
- Fees for various certificates (birth, citizenship, etc.);
- Other local income (bank interest, rents from UP property, etc.);
- Regular transfers from central government: both the block grant direct to the UP and the ADP grant that is managed at Upazila level;
- Special transfers under various government and donor-funded programmes, such as LGSP and LGSP-LIC.

Own and shared revenues are deposited in the UP revenue accounts which are managed by the Chairman and the Secretary (co-signatory). The payments are executed by either the Secretary or the Chairman and recorded in the concerned accounting books.

Holding tax is the main revenue source for UPs. In many UPs, the tax is taken to apply only to residential buildings/properties and only a few UPs apply holding tax to non-agricultural land and there remains some uncertainty about the applicability of the tax to non-agricultural land.

It is worth noting that the land holding taxes are currently capped at a relatively low rate and there needs to be a significant review of what taxation rates and assessments are viable without dampening economic growth and development at the Union Parishad level. A concerted, realistic, strategic study would be required for the purpose.

GENDER AND THE ROLE OF WOMEN

The project has contributed to laying the foundation for greater participation of women in development activities.

As a measure towards strengthening local government and empowering women in Union Parishads, an amendment to the Union Parishad Ordinance (1983) in 1997 divided UPs into nine wards and reserved three seats for women¹⁹ that were formerly held by men. This amendment for the first time enabled rural women to be directly elected to the reserved seats in UPs. However, having just three seats, the women members have to represent constituencies that are three times larger, requiring them to spend more time and money to interact with the population of three wards.

¹⁹ The revised Local Government Act (Union Parishad) 2009 also has the nine wards and similar arrangement of three reserved seats for women to be elected directly.

Secondly, being directly elected for the first time the women have had to face resistance from male chairs and members. This is exacerbated by the fact that the law does not clearly specify their responsibilities and functions. The government has issued a number of subsequent orders and circulars providing a few specific roles and authority to women. These include a role of the women members in the selection of Vulnerable Group Development (VGD) beneficiaries, making it mandatory for women to chair one third of the standing committees and development project committees. Despite these affirmative actions the effective participation and empowerment of women have remained low, calling for further action and follow up initiatives for facilitating the elected women Union Parishad (UP) members.

The LGSP-LIC has introduced the following measures to lay a foundation for women's participation at the UP level:

- Formation of a Women Development Forum (WDF) at the Upazila to organize Union Parishad women members to better exercise their rights in decision making;
- Earmarking 30% of the Supplementary Block Grants for schemes identified as high priority by women;
- Chairing of one third of the Ward Development Committees (WDC) under the LIC by women;
- A performance criterion requiring regular and active participation of women members in the UP's monthly and other meetings for eligibility for Supplementary Block Grants (SBGs); and
- Inclusion of at least three women from the community in the Union Facilitation Team (UFT).

In practice, a woman leads one third of the WDCs in their three-ward constituency and women are vice chairs in the remaining two thirds. No member of the WDC can simultaneously be a SSC member and vice versa. Fifty percent of the SSC members have to be women from the community. The BGCC is chaired by the UNO and among others, one woman member from each of the Unions are members of the BGCC.

The Women Development Forum (WDF) as a platform for UP women evolved from the experience of the Sirajganj pilot project. The WDF has enabled women to network and organize for collective action and advocacy and to be more effective in the provision of services to the community. The primary role of this forum is to ensure complete participation of women members in the UP, and to provide support to the UP in the socio-economic development of the poor women of the area. WDFs have been created at Upazila/District level to ensure women members' role in the development process. The Executive Committee of Upazila Women Forum is:

- Chairperson
- Panel Chairperson
- Joint Secretary
- Executive Member depending on the number of UPs

The WDF is an innovation replicated from Sirajganj under the LGSP/LIC inspiring the women to take active part in local development activities. The 2009 Union Parishad Act gives priority to the planning process making elaborate provisions for ward based participatory planning. An entire chapter (2) (Articles 3-7) is devoted to formation, functions, responsibilities and powers of ward *shabha* or forum to be chaired by the respective ward

The WDF is greatly appreciated by women as a venue that has enabled them to organise and advocate for their rights and holds out promise for wider application.

members and comprising of membership of all eligible voters of the ward. The women UP members are to be advisers to the ward *shabhas* in their reserve seat constituencies. The ward *shabhas* are envisaged to be the focal points of all UP developmental planning. A review of the new UP Act shows that women have been marginalized in the decision making process of the ward *shabha* as they have been allocated a role only as advisors whose opinion in important ward matters is not binding. Their role thus would become ornamental and symbolic at best²⁰.

Interviews with WDF members suggest highly vigorous participation on the part of members and that the mechanism has also enabled participants to gain confidence as leaders and participants in decision-making forums. It has also emboldened them not to accept discrimination so readily.

Women members are very enthusiastic about their role in WDFs. However, budget limitations – particularly for operational costs – constrain the functioning of WDFs by limiting access of women who may already be facing domestic constraints to their participation.

WDF meetings are held quarterly and convened by the Upazila Cooperative Officer. Meeting notices with the agenda and the resolutions have to be recorded. In all of the Upazilas visited, meetings were found to be held regularly. Women members of the WDFs interviewed were all clearly highly motivated and to a person expressed their satisfaction with the WDF as a mechanism that provides them both with peer support and also enables them to consolidate and strengthen their role in key decision-making fora. Several members of the WDFs, it should be noted, are also members of committees at the UP level such as the WDCs. Yet, the distance of the Upazila from the homes of the women was found to be an additional constraint to participation, overcome in part through the allocation of a travel allowance for women participants at regular quarterly meetings. Several women expressed interest in meeting more frequently in order to broaden the range of issues covered and to make the WDF a more effective mechanism for advocacy of women's concerns.

The lack of resources for travel and operational costs was viewed as a constraint in this regard and is likely to be a further obstacle placed in the way of women who may face family pressures not to participate. One of the WDF's interviewed in Sirajganj had introduced income generation activities to pay for some of their recurrent costs and to possibly facilitate the holding of more frequent meetings for special purposes. The team did not get a chance to assess the viability and sustainability of such schemes although it is understood that they had successfully contributed to the WDF's budget and subsidized the travel costs incurred by members. The payment of travel costs on a temporary basis by the project until such time as income generating activities can be introduced to serve as a more sustainable subsidy may serve to facilitate the functioning of the WDFs at least for the duration of the project. Any such incentives should be introduced on a limited basis only with a view to phasing them out, the inherent logic being that they are intended to facilitate the entry of women into decision-making roles and for them to gain acceptance in such functions.

The interviews also suggest that the WDF has been primarily used as a forum to advocate for the rights of women and for women to access the appropriate authorities in cases of blatant abuse. The most frequently mentioned area of concern was that of child marriage, with several of the women citing multiple cases in which they were able to mobilise the authorities to intervene in the case of forcible child marriage that had come to their attention. In one case, the WDF claimed to also serve a mediation and

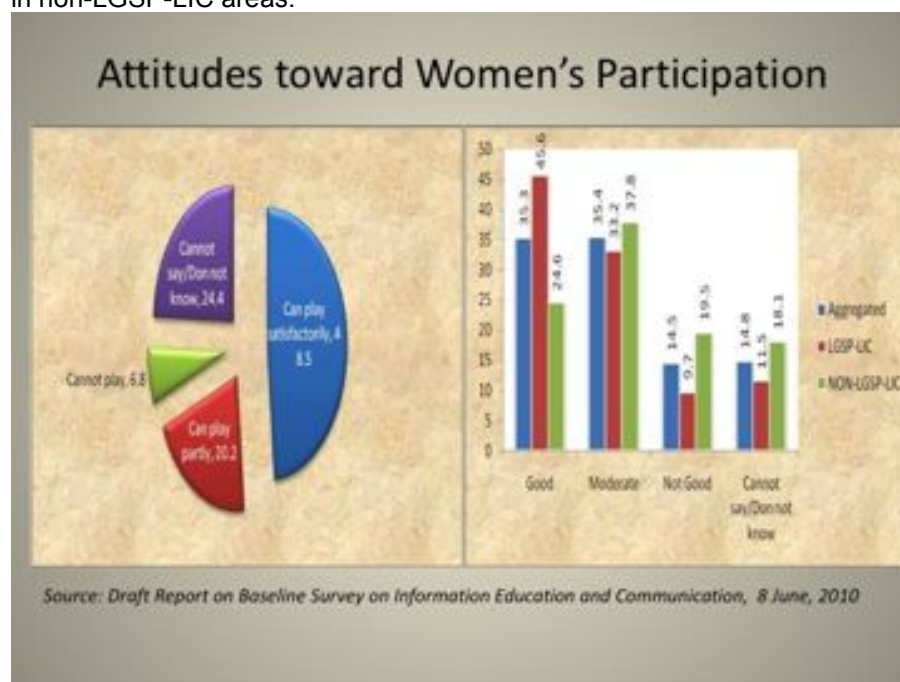
²⁰ LGSP-LIC study of women's participation in local development in the LIC districts in Bangladesh, Ms. Zarina Rahman Khan, UNDP/UNCDF, December 2009

informal arbitration function in cases of internal family disputes involving women and in some instances, girls. It was their opinion that village courts did not have jurisdiction over such cases.

Several of the WDFs interviewed had strong opinions regarding health care issues, but had not been able to mobilise resources for such sectoral priorities. Nevertheless this was the sole forum that specifically raised issues pertaining to access to health and education among those interviewed by the evaluation team.

While full acceptance may still be a way off, the LIC has raised the credibility of women as participants in decision-making.

The LGSP-LIC programme appears to have improved the credibility of public perceptions of the potential role of women in development activities. A recent survey²¹ shows that in the LGSP-LIC areas some 46% of respondents indicated that they believed that women can participate effectively in planning and supervisory work, while just 24.6% of the respondents believed the same in non-LGSP-LIC areas.



In the same survey, 69.2% of respondents in LGSP-LIC areas indicated that they believed that the views of women members of scheme selection and supervision committees were accorded importance in decision-making, while just 24.2% believed the same in non-LGSP-LIC areas.

Yet, interviews by the evaluation team in Bollo UP with the WDF suggested that considerable tensions still exist in some UPs between women members and chairman of the UP and that their priorities were not being taken into account. Group interviews with women in the other UPs visited all seemed to indicate that women felt that their views were being duly considered and when their priorities were not accepted, they were provided with sufficient and acceptable explanations.

²¹ Ferdous Robaet and Sheikh Shafiqul Islam, Draft Report on Baseline Survey on Information Education and Communication (IEC) "Needs Assessment of LGSP-LIC Union Parishad", Submitted to United Nations Development Programme (UNDP), Bangladesh by Development Consultant and Global Compliance Initiative (DCGI), 8 June 2010.

Current statistics do not provide a reliable picture of the extent to which women have benefited from supplementary block grants.

According to project statistics, the block grants have, in FY 2009-2010, resulted in the implementation of 2,774 schemes, with a total of 4,893,885 beneficiaries, of which 2,174,528 were female and 2,719,056 were male. It was not possible for the evaluation team to verify these figures, although it was clear that the number of beneficiaries was merely based on general aggregate population numbers in the villages concerned rather than a more systematic assessment of actual beneficiaries that have utilised the services or the schemes implemented. Table 19 provides a breakdown of the percentage of block grants that have been implemented that purportedly have benefited women according to the (Dash report, p. 34). Again the basis for determining that women have been beneficiaries in practice is not clear and the data presented needs to be treated with a degree of caution. Group interviews with women members of WDCs and WDFs would suggest a rather mixed picture on the extent to which women are of the impression that their views and priorities have been fully addressed, though several indicated that they are being taken into account on a regular basis. As with most such power structure related issues, a more in-depth assessment will need to be conducted in order to produce reliable results.

Table 19: Percentage of Block Grant Value Used for Schemes that Benefit Women												
District	Less than ten percent		Ten to twenty percent		Twenty one to thirty percent		More than thirty percent		Don't know		All	
	N	%	N	%	N	%	N	%	N	%	N	%
Sirajganj												
Sirajganj Total	1	5.5	9	4.5	33	16.5	10	5.3	40	20.0	20	100.0
Sirajganj	1	5.5	9	4.5	33	16.5	10	5.3	40	20.0	20	100.0
LIC												
LIC Total	6	11.1	5	9.6	22	37.4	14	24.5	10	16.9	59	100.0
Satkhira	3	2.5	4	3.3	94	78.3	18	15.0	1	0.8	12	100.0
Feni	1	8.5	1	12.5	21	17.8	41	34.7	31	26.3	11	100.0
Narsingdi	3	29.2	2	17.1	15	12.5	8	6.7	41	34.2	12	100.0
Barguna	1	0.8	3	2.5	49	40.8	63	52.5	4	3.3	12	100.0
Habigonj	1	14.9	1	12.4	45	39.5	15	13.2	23	20.2	11	100.0
NON-LIC												
Non LIC Total	6	17.7	2	8.1	70	20.3	26	7.6	15	46.9	34	100.0
Kurigram	1	1.5	2	3.0	9	13.6	18	27.3	36	54.5	66	100.0
Narayanganj	1	22.8	6	10.5	17	29.8	5	8.8	16	28.1	57	100.0
Sunamgonj	3	60.8	2	3.9	0	0.0	0	0.0	18	35.3	51	100.0
Khulna	0	0.0	9	17.3	23	44.2	1	1.9	19	36.5	52	100.0
Pirojpur	3	5.2	9	15.5	18	31.0	0	0.0	28	48.3	58	100.0
B.Baria	1	21.7	0	0.0	3	5.0	2	3.3	42	70.0	60	100.0

A systematic assessment of efficiency is not possible based on available information, but the cost of implementation may, in general, be said to be low.

VII.C: Efficiency

Benchmarking with similar programmes in Bangladesh to assess efficiency is not possible because of the lack of viable comparators that involve the type of inputs required with the introduction of new practices and piloting.

It is worth noting, however, that the project has been implemented using:

A minimum of expatriate expertise;

- Project-funded positions that are centred on temporary functions that are required only for the duration of external funding of the project (e.g. all of the facilitators);
- Maximum use of government-funded positions (e.g. the Cooperative Officers);
- Maximum use of local labour based techniques for infrastructure schemes; and
- The use of resident expertise from the SLGDP project to ensure that institutional memory is not lost, that experience of implementation is transferred over to the LGSP-LIC and that time is not lost at the outset of implementation.

The costs of individual schemes reflect the fact that labour-based methods are used and that community contracting is the primary method involved with very limited use of machinery and external technical inputs. Costs of road construction at schemes visited were obviously very low. Representative of the schemes visited, was a 40 foot road/path created

During FY 2008/9 and 2009/10, a total of 4,670 micro schemes (1,896 in FY 2008-09, 2,774 in FY 2009-10) have been implemented by UPs in the six districts (see tables in Annex VI).

Efficiency may also be assessed in terms of timeliness in implementation. The project suffered initial delays due to uncertainties over the broader LGSP programme and the current National Project Director (NPD) assumed his position. The project is headed by the NPD who is at Joint Secretary rank, at the MLGRD. The NPD divides his time between the project and his other government tasks. The NPD is assisted by a project taskforce (Monitoring Advisor who is currently also fulfilling the role of Project Manager, and 2 staff), which is in charge of the implementation at district, UPZ and UP levels.

The Project further has 6 District Facilitators (DFs), each of whom is assisted by a Upazila Cooperative Officers (UCOs) that monitor and facilitate scheme implementation at UP level. The District Facilitators fulfil a temporary facilitation and monitoring function and are funded from the project, while the Upazila Cooperative Officers are funded by the Government. At UP level UP Facilitation Teams (UFTs) consisting of 3-4 UFTs per Upazila are funded from project resources.

LGSP-LIC disburses the Supplementary Block Grants (SBG) and the various disbursements, accountability, budgeting and utilisation is based on procedures that have been integrated into the LGSP arrangements. This means that government agencies are implementing and for practical purposes the auditing has been outsourced. The structures and mechanisms put in place by the project allow efficient project implementation on all levels. One issue that still hampers implementation is the frequent transfer of UCOs at Upazila/District level who have been trained. Their replacements are often

either inexperienced or close to retirement and of varying levels of motivation. In all cases, they need to be trained and capacitated.

VII.D Sustainability

The LGSP-LIC has been a model of how a project should go about maximising national ownership and ensuring sustainability.

The LGSP-LIC has been, in many ways, a model of how a project should go about maximising national ownership and ensuring sustainability of capacity created beyond the duration of external funding. In addition to the Supplementary Block Grants that have been used to demonstrate effective fund management at the UP level and have stimulated the assignments of block grants from the centre, external inputs have been limited to those project positions that are of a strictly temporary nature and have primarily focused upon short-term social mobilisation and facilitation (the District Facilitators and Union Facilitation Team members). The facilitation function performed by these staff include:

- Training of committees at the local level;
- Informing community members of their rights and service delivery expectations;
- Supporting the organisation and management of key UP, WDC, UPPC, SSC, Budget and WDF meetings;
- Maintaining data on outcomes and performance criteria;
- Monitoring of performance; and
- Reporting.

All of the other key positions (National Project Director, Project Manager, Cooperative Officers, etc.) are government posts and paid for from the national budget. Union Parishad members are elected as are members of the key committees and are generally not paid. Salary supplements are not paid for by the project. The only exception to this is the payment of some travel costs and travel requirements of some government officials. The case of the Cooperative Officers is a demonstration of how the project has sought to minimise the effects on sustainability of even these supplements; instead of receiving cash incentives, the Cooperative Officers are provided with motorcycles and some limited travel allowances to provide them with easier access to UPs within their Upazilas.

The use of expatriate personnel has also been kept to an absolute minimum. The majority of technical support has been delivered by national experts and consultants. Expatriates have generally only been provided from UNCDF core staff drawn from the regional office in Bangkok and short-term consultants recruited for surveys and other specific one-time tasks.

The one threat to sustainability with respect to staffing lies in the rapid and unpredictable turnover of Cooperative Officers that are moved for a variety of reasons, requiring new staff to be rapidly retrained.

The effective use of supplementary block grants (provided with external support) has resulted in the government releasing its own block grants as transfers from the centre. This will ensure the continued usefulness of the systems and institutions established beyond the duration of the LGSP-LIC project itself.

The overall success of the project in the eyes of beneficiaries has also resulted in a significant increase in the payment of local taxes, raising local revenue generation dramatically from previously almost non-existent levels. Local revenue is managed using the same systems and institutions

All indications are that the model introduced for the management of funds will remain sustainable particularly if local revenues can be further expanded and become a significant source of funding for local services.

established under the project for the management of block grants. This again suggests that the overall system established by the LGSP-LIC will prove sustainable if the revenue base is further developed and expanded.

Limitations placed on the nature of schemes that may be implemented with the SBG may have negatively affected sustainability.

Finally and perhaps less importantly from the point of view of the project's own objectives, the schemes implemented at UP level with supplementary block grants, have a mixed likelihood of being sustainable. One the one hand, because the funds allocated (particularly from the European Union's Food Security Fund) require that the main portion of the funds go towards labour costs, the emphasis has been on earthworks and labour-based public works (see Figure 8 below) and as such the specifications can only result in the construction of infrastructure with a relatively short lifespan – particularly in areas that are subject to heavy rains and floods. On the other hand, interviews with beneficiaries suggested that because the community had strong ownership of the infrastructure constructed, they would take responsibility for maintenance of the schemes at minimal additional cost. It is likely that if there were to be fewer limitations on the nature of the schemes that could be implemented, more durable specifications would be likely to be applied by the community members and durability would be greater.

Overall decentralisation would benefit from a more systematised process of learning that is linked to policy development.

VIII. MANAGEMENT ISSUES

VIII.A: Management of the Learning and Innovation Function

The principal objective of the LGSP-LIC is to collect information concerning the experience gained with innovations piloted by the project and to ensure that it is used effectively to inform national policy.



Figure 8: The Learning Process

The process at present, however, appears relatively unsystematic and will benefit from a more concerted and systematised process. A monitoring system – discussed further below – is currently in the process of being developed and institutionalised. However, it is likely that key information will need to be collected using spot surveys and reviews as has until recently been the case. This information needs to be collated and prepared in the

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form of management-oriented policy briefs, focusing in particular on the outcome and results of innovations with a view to informing the decision-making process. At present, this information is collected in the Ministry of Local Government, Rural Development and Cooperatives. The degree to which it is used in policy development is left somewhat open. Establishment of a group consisting of the following on a regular, annual basis to consider the results and experience gained under LGSP-LIC may be more likely to lead to policy changes: The Ministry of Local Government, Rural Development and Cooperatives, The Ministry of Planning (including, but not restricted to ERD), the Ministry of Finance, The Ministry of Establishment, The World Bank, UNDP/UNCDF, the European Union and bilateral agencies with particular interest in the development of local governance (DANIDA, JICA, SDC, etc.).

To date, most of the main elements of the Sirajganj model have, in one way or the other, been adopted in one way or the other by the World Bank funded LGSP – although the mechanisms have been called by different names (See Table 17).

Table 20 : Differences in Approach Between LGSP and LGSP-LIC	
LGSP-LIC	LGSP
Institutional and Organizational framework	
Ward Development Committee (9 WDC in one UP) Women Development Forum	Scheme Implementation Committee (scheme based)
Planning	
Union Parishad Planning Committee (UPPC) The Chair of the Standing Committee of Works is UPPC Chair also Thirty percent schemes are prioritized for and by the women Para and ward level planning	Union Parishad Technical Assistance Committee (UPTAC) Any ward member can be chair of UPTAC Ward level planning
Budgeting and financial management	
Supplementary block grant + Expanded Block Grants Minimum Conditions Audit is private firms Thirty percent budget is earmarked for women prioritized schemes	Expanded Block grant Audit is private firms.
Monitoring and evaluation	
Scheme Supervision Committee (SSC) All the members of SSC are from community Nine SSCs	Scheme Supervision Committee UP Chair is the Chair of the SSC Three SSCs
Human resource management and development	
District Facilitators Union Facilitation Team Upazila resource team Active involvement of DDLG Upazila Cooperative Officer (from the govt. side is involved and plays key role in capacity building)	Upazila resource team
Communication, coordination and implementation	
Block Grant Coordination Committee Upazila Development Coordination Committee Learning and sharing meeting	Scheme Implementation Committee Block Grant Coordination Committee Upazila Development Coordination Committee

It is worth noting that some of the key lessons learned from the UNDP/UNCDF initiatives, such as the staffing complement to make the project successful, have not been transferred over to the World Bank supported project. In general, the staffing complement of the World Bank project are substantially lighter than those of the LGSP-LIC which are, in turn, lighter than those of the SLGDP. It is not clear what the rationale for this change in approach is. It is believed that a more systematic learning process

that is linked to policy would ensure that such key lessons are transferred and adopted as policy.

VIII. B: Monitoring and Evaluation Systems

The Evaluation Team has found abundance of material, studies, reports, surveys and project reporting that is impressive and of an acceptable quality. Until recently the Project related data was not collected and disseminated in a comprehensive and systematic way. Originally LGSP had planned to work on a M&E strategy for the UP administration of the block grant and the development process. However, this did not materialise and therefore LIC moved ahead and came up with a more comprehensive M&E strategy in early 2010. The table below shows the basic elements of the proposed routine monitoring system.

Table 21: Elements of the LGSP-LIC Monitoring System		
Information on	Topics for information collection (Tools)	Information to be collected
Activities and Outputs	Against work plan developed at the start of a year	Activity targets vs. achievement, gaps (if any), causes of deviation, future plan to adjust
Revenue and Expenses	<ul style="list-style-type: none"> • Inflow of funds • Fund utilization (including GOB and Project Funds) used by the project UPs. • Local Resource Mobilization • Audit 	Inflow and management Transparency and accountability in revenue collection and expenditure
Schemes	Procedure of scheme selection, Detailed status of approved schemes	Description of scheme, implementation status, participation of communities, roles of committees, transparency and accountability is public expenditure,
Standing Committee, UPPC, WDC and SSC	Formation and roles of the committees	Formation of committee – ratio of poor and women members, Number of meetings conducted Decision undertook
Participation in UDDC, BGCC and WDF	Participation and roles of relevant UP persons in Upazila level meetings	Whether relevant persons regularly attend to and contribute in meetings,
Transparency and Accountability	Roles of UP and committees for transparency and accountability	Communication and contacts with the communities, plan and budget meetings, dissemination meetings, audit etc.
Capacity development and Training	Training and capacity development issues and their results	Training provided, issues covered, quality of training, application of knowledge received from training

The strategy is well documented and conceived. But while this will address the needs of the UPs and the Project in collecting M&E data for proper documentation of Project outputs and outcomes it does not address the wider issue of M&E of overall expected Project outcomes such as pro-poor development and other more MDG related issues. There seems to be no special consideration for pro-poor issues but this is approached by proxy

indicator such as sheer number of potential beneficiaries of schemes and attendance at UP/Ward/Para meetings.

The LIC committees like WDC, SSC and the UFT have been seen as the instrument whereby issues of women and the poor are being addressed per se by the participation of communities. Careful documentation of decision-making processes and actual scheme beneficiaries can demonstrate the wider outcomes of addressing pro-poor issues and social inclusion of women, youth and marginalised groups.

VIII.C: Delivery

The overall budget of the project broken down by source of funds is shown in Table 19. It is worth noting that the funds are managed in a relatively complex manner with funds being managed in parallel and with different conditions on their use and reporting.

Source of Funding	Modality	Donor Contribution	
		In US\$	In Donor Currency
European Union, FSBG	Parallel	4,695,654	3,350,836 (Euro)
European Union, NIP	Parallel	7,497,393	5,000,000 (Euro)
UNCDF	Parallel	2,510,000	2,510,000 (US\$)
DANIDA (HRGG II)	Pass Through UNDP	2,448,320	12,000,000 (DK)
UNDP	Parallel	1,793,047	1,793,047 (US\$)
TOTAL		18,944,414	

SPECIAL REQUIREMENTS OF DIFFERENT FUNDING SOURCES

The grant money under the EBG and SBG can be utilized in implementing any activity that is mandated to the UP. However, these grants cannot be utilized for the following:

- Salary of the staff and honorarium of the UP Chairman and Members;
- Donations for religious institutions (temple, mosque, church, crematorium, graveyard etc.);
- Micro-credit;
- Investment in profit-making or non-profit businesses;
- In any scheme that has adverse impact on the environment or society.

Not more than Tk 25,000 (twenty-five only) can be spent on advocacy and awareness-raising.

It has already been noted that the Food Security Fund contribution (FSBG), which was used for the SBG, had tightly prescribed limitations on its use that affected the discretionary nature of the SBG and limited schemes to those that could demonstrate that 75% or more of the resources used were spent on labour costs. While this may have ensured that a significant portion of resources accrued to the poorest segments of the community in the form of short-term wages – mainly during the off season – it also clearly:

- Skewed the selection of priorities;
- Affected the standards of infrastructure construction/rehabilitation; and

- Reduced the long-term sustainability and impact of the infrastructure constructed.

OVERALL DELIVERY

After an initial delay, implementation has been on schedule and delivery has been relatively high.

After an initial slow start, actual delivery has been relatively high and has been bolstered by the SBG which has tended to deliver particularly rapidly once systems have been put in place. For a breakdown of the number of schemes implemented in each district and the number of schemes implemented please see Annex VI. According to the M&E data of National Project Director, more than 8 million beneficiaries have benefitted from the schemes. It is not clear how the number of beneficiaries have been determined in the figures provided (see below) and it is likely that the figures are considerably inflated or merely a calculation of the actual population in the UPs concerned.

Table 23: Number of Schemes Implemented and Beneficiaries				
District	No. of UPs	No. of Schemes	Total SBG/TK	Beneficiaries
Borguna	26	222	15388464	301419
Feni	33	350	22160086	329551
Habiganj	43	394	26617910	875951
Narsingdi	45	524	30918940	1054602
Satkhira	57	527	36512773	765062
Sirajganj	60	757	53201827	1567300
Total	264	2,774	184,800,000	4,893,885

Providing a meaningful assessment of service delivery for pro-poor basic services under the project is very difficult given the data limitations. The UNCDF case study of the Siranganj Pilot Project (Local Governance and Service Delivery for the Poor – November 2003) tried to make some assertions regarding service delivery under that project as compared to other ongoing, more centrally driven projects and programmes in Bangladesh at the time. While the MTE Team does not wish to enter into an academic discussion of the calculations made, it is fair to say that the assessment at the time was built around a number of assumptions regarding petty or even systematic corruption that are difficult to verify.

Facts on the ground show that the service delivery impact of these small, mostly earthwork schemes under LGSP/LIC are of a more indirect nature when it comes to the actual provision of services (footpaths give better access to markets, schools, health centres and so on) but can justifiably be said to have a more direct impact on the accountability, participation and openness of processes at the UP level.

Annual expenditures on schemes have risen over time as more Union Parishads have come onstream and as more committees have met performance criteria, growing over the period 2007-2010 (Figure 8).



Figure 9: Annual Expenditures on Schemes from SBG

Supplementary Block grants have constituted US\$10.4 million of a total expenditure of US\$18.1 million, or about 57% (Table 21). Training has been the next most significant expenditure category and has involved US\$3.5 million, or about 19% of total expenditure. Short-term international expertise constitutes just 3.7% of total expenditure.

BY OUTPUT UP TO END-2009		US\$
Output 1: UP FINANCING		5,773,766
Output 2: IMPROVED LOCAL PUBLIC EXPENDITURE MGM		825,927
Output 3: ENHANCED LOCAL ACCOUNTABILITY		315,783
Output 4: MORE EFFECTIVE LOCAL CAPACITY DEVELOPMENT FRAMEWORK		783,419
Output 5: POLICY DEVELOPMENT INFORMED BY PROGRAMME LESSONS		75,370
Output 6: PROJECT SUPPORT		877,330
TOTAL		8,651,595

VIII.D: Backstopping and Substantive Support

AT THE UNION PARISHAD LEVEL

While the LGSP-LIC has substantially raised the level of community ownership at the Ward and UP level, there are indications that in some Upazilas it has reduced the commitment of Upazila level technical advisers from line departments of Union Ministries. This has reduced the UPs' access to technical advice and extension services. Although the mission was not in a position to undertake a systematic assessment of the technical standards of public works undertaken, there are indications that standards may have been somewhat compromised. At the moment, therefore, the linkages between the LIC's UPs and the sectoral departments at Upazila level remain tenuous and varies from Upazila to Upazila.

AT THE OVERALL PROJECT LEVEL

At the overall project level, the project has received technical backstopping from UNCDF Bangkok and from short-term international technical advisers recruited for specific purposes. This has worked reasonably well, but has been delivered relatively late for a variety of reasons for critical technical functions that could not be staffed by national personnel.

VIII.E: Bottlenecks and Risks

BOTTLENECKS

Bottlenecks to implementation have included the following:

- Capacity building of Ward Development Committee and Union Parishad Participatory Planning Committee members difficult due to busy time schedules.
- UPs are faced with political pressures.
- UP chairmen do not get technical support in time from Upazila engineers or other technical personnel.
- Weak financial and accounting knowledge of Union Parishad Secretaries – affects financial management and procurement.
- Project personnel are increasingly spread thin as the programme expands.
- Some indication of turnover of staff (e.g. in Narsingdi District)

RISKS

There are probably two principal risks facing the project. The first is the likelihood of a growing interest on the part of politicians at the Upazila and higher levels in the use of Block Grants and Supplementary Block Grants at the UP level as the project is viewed as increasingly successful and as it gets replicated under the broader LGSP. This is likely to result in interference on the part of politicians.

The second risk is that of a future government reversing policy decisions taken regarding the role of Union Parishads in the administration of funds. Such shifts in policy have been repeatedly known in the past in Bangladesh, but is, given the level and the role of the UPs, likely to be a medium risk.

VIII.F: Sectoral Management and Funding

To date, there has been a strong preference for projects that involve construction and labour based public works on a very small scale in one form or another, with earth works, roads and culverts together making up some 62% of the schemes undertaken under the supplementary block grants to date. Education, which accounted for 10%, also involved construction or rehabilitation footpaths providing access to schools and without exception involved infrastructure construction using labour-based methods.

To date, despite legislation placing certain sectoral responsibilities within their purview, UPs have not been heavily involved in the management of sectoral services.

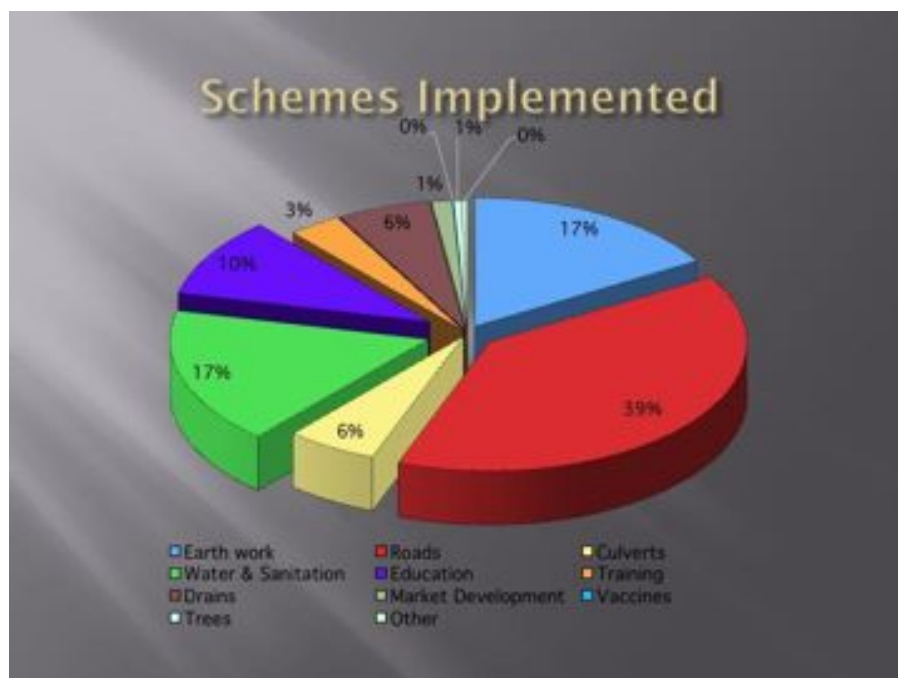


Figure 10: Types of Schemes Implemented with SBG

Yet, implementable schemes based on the 38 mandated functions of UPs that may be implemented utilizing Expanded Block Grants and Supplementary Block Grants are listed in the table below and involve a far wider array of sectors and types of projects.

<p><u>Communication</u></p> <ul style="list-style-type: none"> ✓ Construction/ reconstruction of rural roads ✓ Construction of culverts ✓ Construction of bridges/ foot-over bridges ✓ Construction of drain on rural roads 	<p><u>Health</u></p> <ul style="list-style-type: none"> ✓ Construction/ reconstruction of rural health centres ✓ Health awareness, family planning, public health and cleanliness campaign
<p><u>Education</u></p> <ul style="list-style-type: none"> ✓ Construction/ reconstruction of educational institutions ✓ Supply education materials and furniture ✓ Education awareness campaign program 	<p><u>Water supply</u></p> <ul style="list-style-type: none"> ✓ Installation of tube wells above the flood level of last 10 years ✓ Small society based schemes of pipeline installation ✓ Collection of spring water ✓ Construction of water reservoirs
<p><u>Environmental resource management</u></p> <ul style="list-style-type: none"> ✓ Social forestry ✓ Construction of infrastructure for prevention of soil erosion ✓ Construction/reconstruction of disaster shelters 	<p><u>Drainage and waste management</u></p> <ul style="list-style-type: none"> ✓ Construction of drains for drainage ✓ Public awareness campaign on drainage
<p><u>Agriculture and market</u></p> <ul style="list-style-type: none"> ✓ Construction of husbandry vaccination ✓ Construction of shades for toll booth in market ✓ Irrigation system for everyone's usage 	<p><u>Information, technology and learning</u></p> <ul style="list-style-type: none"> ✓ Community based information technology center ✓ Skill based training and study tour

Source: *Union Parishad Operational Manual*

So far, the implementation of projects have served to gain community confidence in the process, to demonstrate to government officials that UPs can perform effectively and to test the absorptive capacity of the UP system. Scope now exists to broaden the scope of projects selected and implemented at the UP level. To date, several factors appear to have limited the range of projects implemented:

- The absence of readily accessible technical facilitation and advice that could help advise WDC, UPPC and UP members on what is viable and how to go about addressing their needs in the education, health care and agriculture sectors;
- Insufficient planning data that could lead to informed decisions; and
- Rigidities created by the specific prerequisites of different types of funding under the programme²²

It is worth noting that most fall within the overall purview of sectoral ministries and their departments at the Upazila level, but at the same time open the door for building on effective channels for building relationships between the UP and technical departments of line Ministries located at the Upazila level.

Strong scepticism prevails among most government officials over the capacity of UP and UP-level committees to plan and oversee the implementation of sectoral schemes. It is worth noting that the same scepticism existed before the implementation of generalised block grants under the SLGDP. Nevertheless, there is no doubt that any attempt to expand the scope of involvement of the UP into the selection and supervision of sectoral schemes will need to be accompanied by systematised and dependable access to technical expertise that will need to be obtained from the Upazila level or above.

IX. RECOMMENDATIONS

This is overall a clearly successful project with strong local support among its principal beneficiaries. The following are a series of key recommendations that arise from the findings itemised above.

1. The project has successfully demonstrated the viability of a degree of fiscal decentralisation to the Union Parishad level and has generated important policy and legislative changes at the centre. The ultimate aim of this effort should result in the issuance of a comprehensive national decentralisation policy, currently absent, that covers, among other things, the following:
 - a. A clear definition of the role and functions of each level of government;
 - b. Administrative arrangements that need to be put in place to ensure that such decentralisation can work;
 - c. Human and other resource assignments to each sub-national level of government to ensure that decentralisation can work effectively;

²² For instance, the food security fund component of the EU's contribution to the budget has limited the projects implemented to those that demonstrate a labour component of at least.....per cent. This has focused attention that are labour-based and with limited equipment or materials.

- d. Well conceived systems of accountability and transparency;
- e. The fiscal resources that need to be assigned for the purpose to each level (including both operational and development budget requirements); and
- f. The assignment of clear responsibilities for driving this change and that it is implemented within a clearly defined timeframe.

It is recognised that political conditions may not lend themselves for the introduction of such a comprehensive strategy just yet, with political tensions patently clear at many different levels and points in the system. The UNDP should explore the potential for developing such a strategy further.

It is recommended that this activity should therefore begin with a clear definition of the substantive key elements of such a strategy along with a proposed mechanism and process for the further development of each component over a period of time. This should probably take the form of a concept note that can be discussed and negotiated further with Government, the World Bank and other partners and stakeholders as appropriate. The strategy should recommend a more systematic process/mechanism for the discussion and development of policies and propose an overall timetable for the achievement of clearly defined milestones.

2. However, should such a comprehensive strategy prove unviable at this stage, drawing on the experience gained with the effectiveness of pilot and demonstration projects as a mechanism for gradually creating space for change (particularly the SLGDP), the pilot approach may be expanded to take the ongoing experiment with decentralisation further, based on the current legislative framework that has yet to be fulfilled. In this regard, the purpose of the project is also to ensure that Union Parishads are better equipped to fulfil their mandates as currently contained in the Local Government Act (Union Parishads) 2009. The Act accords the UPs the authority to deliver a series of sectoral services in the areas of agriculture, education and health. The current supplementary block grants have not addressed this issue and are generally too small in size to be useful in this regard. Consideration should be given to establishing a sectoral block grant – initially with external funding that can be managed using the same mechanisms at the Union Parishad level, but with sufficient technical advice from line departments of the sectoral ministries. Innovations under the project should then centre on how to effectively manage such sectoral activities at the UP level. Any such fund will need to be established within an operational framework agreed to not just by the Ministry of Local Government Rural Development and Cooperatives, but also the line ministries involved, ensuring the proper allocation of line ministry resources including technical capacity to advise the Union Parishads. The development of a project dedicated to the decentralisation of sectoral services at the Union Parishad level, will need to involve all of the UP level institutions currently used for the management of supplementary block grants, the relevant departments at the Upazila level and the Ministry of Local Governance, Rural Development and Cooperatives. Such a project should involve separate block grants from the current discretionary block grants and should be implemented as pilot with a view to again learning from the experience gained. This requires an extensive process of

programme formulation involving all of the partners and stakeholders concerned as well as the early development of baseline data both with a view to assessing need and to measuring performance during programme implementation.

3. The UNDP/UNCDF and the Ministry need to develop a more systematic mechanism for reviewing experience gained on a regular, say, annual, basis and ensuring that it is fed into a policy-making process at the national level. Such a mechanisms, which will need to be defined based on consultation with the parties concerned, should probably involve: the Ministry of Local Government, Rural Development and Cooperatives, the Ministry of Finance, the Ministry of Planning and the Ministry of Establishment as well as the World Bank, UNDP/UNCDF and other donors with a particular investment in promoting effective local governance (DANIDA, EU, JICA, SDC, etc.). The mechanism should also include steps for the regular collection and compilation of experience gained, preparation of policy-oriented briefs and the preparation of the annual meetings in a manner to generate useful decisions.
4. The project needs to continue to ensure that the key elements of the current model become operational throughout the project area. The WDC, UPPC, SSC, open budget sessions, WDF, etc, need to be open and functioning and effectively managing resources in all Union Parishads in the project area. This requires an intensification of current facilitation activities and may require further training and encouragement of Union Facilitation Teams and Union Cooperative Officers. This may include further training of UFTs and the holding of regular operational meetings with them to provide them with tasks to spread awareness of the model as well as the rights of community members.
5. The SLGDP was highly successful using a particular staffing complement. The LGSP-LIC is considerably lighter in terms of external inputs and staffing. Consideration should be given to strengthening management support to Union Parishads to enable them to fulfil their functions, but should ensure that this is provided in a sustainable manner – not from external funding sources if at all possible.
6. The project needs to ensure that sources of funding do not limit the discretionary use of the basic supplementary block grants as the strength of the pilot is that at least the first grants utilised should be fully discretionary in their use and should serve to raise the confidence of local communities to manage resources.
7. If the project is to fulfil its intended function of innovation and learning and to move beyond the SLGDP that has already had its desired impact, the LGSP-LIC needs to continue to take risks and to innovate, moving beyond the basic design of UNCDF's Local Development Fund projects.
8. If the LGSP-LIC is indeed to actively target the poor as indicated in its stated objectives, steps will need to be taken immediately to collect relevant socio-economic data at the level of local communities targeted and to develop a clear set of criteria and a strategy for

ensuring that the project addresses the needs of the poor and vulnerable with concerted action. In order to avoid placing restrictions on the discretionary use of the basic block grant and supplementary block grant, consideration may be given to establishing a separate fund specifically targeting the poor and most vulnerable which would also be managed through the same mechanism. Synergies with REOPA should also be pursued in both regards. UNCDF/UNDP Bangladesh and the Ministry of Local Governance, Rural Development and Cooperatives should review both the REOPA and LGSP-LIC projects with a view to identifying points of convergence and modalities for collaboration with a view to maximising synergies between the two projects particularly with respect to techniques and modalities that are being applied for targeting as well as the use of socio-economic baseline data collected.

9. There is a similar need to convene substantive dialogue between the members of the Local Governance Coordination group to identify ways in which ongoing donor programmes can rationalise their approaches and strategies and learn from each other's experience. Some of the relevant projects identified in this report include those implemented under the aegis of the EU, JICA and SDC
10. The Women's Development Forum shows considerable promise -- not only as a peer support group that enables more effective participation on the part of women in decision-making bodies such as the Union Parishad, the WDC, the SSC and budget meetings -- but also as a platform for advocacy on women's issues and women's rights and a source of advice to the Upazila Chair and Vice Chair. There is a need to strengthen the capacity of these WDFs and more effectively channel their efforts to raise their effectiveness in generating change. Such support should probably be integrated within the LGSP-LIC, and should include:
 - a. A strategy for ensuring sustainable funding of WDF activities, exploring innovative sources of funding including local income generation activities.
 - b. A dedicated facilitator for WDFs who is able to enable the women to access relevant information concerning their rights, maternal and child health, nutrition, water and sanitation etc.; and
 - c. A limited amount of funds dedicated to communication on the part of the WDF to ensure that it is able to communicate with and inform women beneficiaries within their Upazilas.

ANNEX I: RECOMMENDATIONS AND RELATED ACTIONS

UNDP Management Response Template

[Name of the Evaluation] Date:

Prepared by:	Position:	Unit/Bureau:
Cleared by:	Position:	Unit/Bureau:
Input into and update in ERC:	Position:	Unit/Bureau:

Overall comments:

Evaluation Recommendation or Issue 1:				
Management Response:				
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking*	
			Status	Comments
1.1. description activities, then specifics as needed a. b.				
1.2				
1.3				
Evaluation Recommendation or Issue 2:				
Management Response:				
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
2.1. description activities, then specifics as needed a. b.				
2.2.				
Evaluation Recommendation or Issue 3:				
Management Response:				
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
3.1 description activities, then specifics as needed				

Joint Mid-Term Evaluation:
Local Governance Support Programme - Learning and Innovation Component

a.				
b.				
3.2				
3.3				

* The implementation status is tracked in the ERC.

ANNEX II: TERMS OF REFERENCE

ANNEX III: TEAM COMPOSITION

The evaluation team was composed of four members:

Salma A. Akhter: is an Associate Professor in the Department of Sociology, University of Dhaka and holds BSS (Honours) and MSS degrees in Sociology from the University of Dhaka and an MPhil in 'Sociology and Politics of Development' from the University of Cambridge, UK where she is currently a PhD candidate. She has taught at several other universities including BUET either as part time faculty or guest speaker. She was a member of the Dissertation Award Committee, of ARNOVA's 31st Conference, 2002, Montreal, Canada. Ms. Akhter was in the Editorial Review Board of Journal of Nonprofit & Public Sector Marketing, USA and Canada in 2001. She has received University Grants Commission's (UGC) award in Social Science in 2002 for a paper published in an international journal titled 'Status of Women's Leadership in Bangladesh: A study on Elected Women UP Members'. She is a co-author of a book titled 'Human Security and Peace in South Asia' to be published by the end of 2010. She worked for UNDP, WFP, World Bank, ADB, UNICEF, DFID, ITDG as a Sociologist, Anthropologist, Poverty Expert and Gender Specialist. Her area of interest and expertise covers a wide range of fields such as, Poverty, Gender, NGOs, Micro-credit, Health, Environment, WATSAN, Education, Indigenous community issues in Bangladesh.

Mobasser Monem: is a Professor of Public Administration at University of Dhaka. His doctorate in Public Management is from the University of London. He has worked on various aspects of public sector governance with particular focus on public sector management, local governance and public policy. Dr. Monem has published extensively in academic journals at home and abroad on issues and areas relevant to public sector management, local governance, public sector service delivery and institutional capacity building. Dr. Monem delivers lectures on a regular basis at major national training institutions including BPATC, BCSAA, BIM, APD, NILG.

Hans B. Olsen: is a public sector reform and governance specialist with over 20 years of professional experience and over 15 years experience planning, implementing, monitoring and evaluating donor-financed development projects overseas. As a provider of expert advice to public administrations and organisations throughout Africa and Asia, he has taken particular interest in public sector reform especially decentralisation and good governance. Mr Olsen has provided consultancy services to projects and programmes funded by the full range of international donors and have an intimate knowledge of the political economy and development policy, donor policy and aid modalities, and the wider development context in Eastern Europe, Asia, and Africa; especially in the East African region. Mr Olsen has specialist expertise in output-to-purpose reviews, M&E, strategic evaluation, programme design and strategic planning, institutional analysis and capacity building. He also has significant experience providing advice to and assessing democratisation and human rights interventions.

Rajeev Pillay (Team Leader): is General Partner at Abacus International Management L.L.C., a consulting firm specialised in governance and institutional reform and is experienced in the management of economic transformation, institutional change and capacity development in developing countries and emerging markets. He is specialised in strategic planning and management for governments and multilateral institutions that are in the process of change. He has undertaken extensive conceptual, strategic, policy, management and evaluative work on local governance preventive development, peacebuilding, and early warning. Mr. Pillay has worked extensively on economic and institutional change in countries of Central Asia and the Caucasus, China, Vietnam, Cambodia, Indonesia, Zimbabwe, Malawi and Sudan, helping with their transformation to more participatory, decentralised and market-based forms of government. Mr. Pillay has been extensively involved in the development of reforms and the management of change at UNDP and the United Nations. In the case of the latter, he was responsible for all aspects of the Secretary-General's reforms in the area of development operations and the economic and social sphere. Mr. Pillay has intimate experience of all policy and management aspects associated with the running of UNDP at the corporate level and he was closely involved with strategic planning and the reform and re-orientation of the fund. Mr. Pillay has worked extensively on the development of evaluation policies and practices at the UNDP and the IMF and has led numerous Assessments of Development Results and thematic evaluations. Rajeev Pillay has an MS in Environmental Science and is a Master of International Affairs with a specialisation in international economics from Columbia University. He also possesses a post-graduate Certificate in South Asian studies from the Southern Asian Institute of Columbia University.

ANNEX IV: INTERVIEW PROTOCOLS

PARTNERS (Government, Bilateral and Multilateral Donors to LGSP) SEMI-STRUCTURED INTERVIEW GUIDE

Agency/Ministry:	Discussion Date:
Office/Location	
Name, Positions of the Officials	
1	2
3	4
5	6
7	8
9	10

I. Relevance

1. Does the LGSP-LIC address critical constraints?

2. Is the LGSP-LIC in line with national policy?

3. Do you view the LGSP-LIC as a source of innovation and learning that is transferable to the broader LGSP if not, why not?

4. Do you think that the LGSP-LIC could influence national policies and better integrate participatory planning at the Union Parishad level and below?

5. Are there any current national policies that you view as placing constraints on the effectiveness of the model being piloted in the LGSP-LIC ?

II. Design

6. What is your relationship to the LGSP-LIC project being supported by UNCDF/UNDP?

7. Are you involved in the planning/ implementation/monitoring process of the project?

8. Are the issues related to the project part of the agenda of your regular meetings?

–

9. Do you feel that the project has targeted priority problems of the beneficiary community? Is it also priority of the government?

–

III. Changes and Benefits due to the project

10. What changes have you witnessed as a result of Project being implemented with the support of UNCDF/UNDP?

- In terms of access to basic services

–

- Reduction of poverty

–

- Awareness of different stakeholders on decentralized service delivery

–

- Capacity of various levels of government to plan and implement and monitor community based projects

–

IV. Strengths and weakness of the project

11. What do you think are the strengths of this project?

–

12. What do you feel are the weakness or constraints they operate under?

–

V. Replicability and sustainability

13. Do you feel certain aspects (or all aspects) of the project should be replicated? What? And how?

–

14. Do you feel the government partners can takeover the activities started by the project? Are there any aspects of the project you feel that the government cannot continue doing it as it is being done now?

–

15. Do you think the project results can be sustained beyond the life of the project? If so, how?

–

VI. Recommendations for improvement

16. What you like most or what aspects of the project gave you greater satisfaction? Why?

—

17. What you dislike most or what aspects of the project gave you greater dissatisfaction? Why?

—

18. What measures/steps should be taken in order to sustain critical activities and gained results?

- By Community,

—

- By government,

—

- By UNCDF/UNDP?

—

19. What recommendations/suggestions do you have about the nature of the project in the future to improve the performance and to ensure the achievement of objectives?

—

**Focus Group Discussion Guide /Checklist
COMMUNITY GROUPS**

District/UP:	Type of Group::
Village/Location:	Discussion Date:
Name and Sex of participants	
1	2
3	4
5	6
7	8
9	10

I. PLANNING AND CAPACITY BUILDING PROCESS

1. Participation in the planning and implementation process

1.1 Who initiated the idea of this development project? Whose problem was it primarily? Was it fully supported by the community?

1.2 Did you use the Participatory Community Planning and Open Budgetingsystem?

1.3 What was the contribution of the community in the development project? [Financial, material, human, etc.]

1.4 Who decided the duties and responsibilities the community has to bear?

1.5 Have women participated in the planning and implementation process? If so, to what extent? [In need assessment, selection of location, contribution of local materials and cash, involvement in committees/decision making, etc]

1.6 To what extent was women's view incorporated in the process?

1.7 What was the exact community contribution?

2. Capacity building (community, institutions)

2.1 What kind of capacity building support did you get from the project?

2.2 Do you think the intended skill transfer is achieved?

2.3 In what ways?

2.4 Can you replicate the development project in your UP, [if needed], and help your neighbouring UP to do so?

II. BENEFITS

3. Access to Services

3.1 How do you rate the contribution/impact of the project?

3.2 Is the increment/benefit equal for boys and girls, disabled, poor children, etc? If no, why?

4. Change in gender roles /relation

4.1 What is the contribution of the project in improving men and women's lives or reducing drudgery? [reduced workload, time saving,.]

4.2 If there is saved time, in what way do men and women are benefiting from the saved time? [probe for any productive or reproductive usage]

4.3 Have the traditional gender roles changed due the project interventions or still the same? . If there is a change what are the seen changes?

5. Development project capacity utilization and any undesired outcome

5.1 Is the selected site favourable for all communities in the surrounding?

5.2 How many months of the year does the development/facility being used?

5.3 How many people/households are using this development/facility?

5.4 Is there any undesired outcome of the project? If any, what do you suggest to deal with the problem?

III. SUSTAINABILITY AND RECOMMENDATIONS FOR IMPROVEMENT

6. Ownership and Sustainability

6.1 To who does this development project belong to? Who administers the maintenance, protection, etc?

6.2 Do you have any Committees for this? What is their responsibility and to what extent would you abide with their decisions? Do you have any commonly agreed upon by-laws? (Including user fees?)

6.3 What would you do, if damage occurs to the development project?

6.4 Is there technical know-how (trained community members) to carry out the maintenance?

7. Recommendation for improvements

7.1 What you like most or what aspects of the project gave you greater satisfaction? Why?

–

7.2 What you dislike most or what aspects of the project gave you greater dissatisfaction? Why?

–

7.3 What recommendations/suggestions do you have about the nature of the project in the future to improve the performance and to ensure the achievement of objectives

7.4 What measures/steps should be taken in order to sustain critical activities and the benefits gained so far:

By Community:

By government:

By UNCDF/UNDP

**District Development Coordination Committee (DDCC), Upazila Development Coordination Committee (UDCC), The Union Parishad Planning Committee (UPPC), Ward Development Committee (WDC) and Scheme Supervision Committee (SSC) /OFFICIALS
SEMI-STRUCTURED INTERVIEW GUIDE**

District/Upzila/UP:	Discussion Date:
Office/Location	
Name, Positions and Sex of the Officials	
11	12
13	14
15	16
17	18
19	20

I. Development Constraints and Government Actions

20. What are the greatest challenges faced by community in this area?

21. What are the greatest challenges specifically affecting women in this district/upzila/ward/UP?

22. What projects/programs are currently promoted/being implemented by the Committee to address community needs?

23. Is there any plans/policies and practices by the Committee to address communities needs, gender equity and good governance?

24. Are there any plans/policies and practices in your jurisdiction that has changed due to LGSP-LIC interventions?

II. Knowledge and involvement in project cycle management

25. What is your relationship to the LGSP-LIC project being supported by UNCDF/UNDP?

26. Are you involved in the planning/ implementation/monitoring process of the project?

27. Are the issues related to the project part of the agenda of your regular meetings?

28. Do you feel that the project has targeted priority problems of the beneficiary community? Is it also priority of the government?

–

III. Changes and Benefits due to the project

29. What changes have you witnessed as a result of Project being implemented with the support of UNCDF/UNDP?

- In terms of access to basic services

–

- Reduction of poverty

–

- Awareness of different stakeholders on decentralized service delivery

–

- Capacity of various levels of government to plan and implement and monitor community based projects

–

IV. Strengths and weakness of the project

30. What do you think are the strengths of this project?

–

31. What do you feel are the weakness or constraints they operate under?

–

V. Replicability and sustainability

32. Do you feel certain aspects (or all aspects) of the project should be replicated? What? And how?

–

33. Do you feel the government partners can takeover the activities started by the project? Are there any aspects of the project you feel that the government cannot continue doing it as it is being done now?

–

34. Do you think the project results can be sustained beyond the life of the project? If so, how?

–

VI. Recommendations for improvement

35. What you like most or what aspects of the project gave you greater satisfaction? Why?

–

36. What you dislike most or what aspects of the project gave you greater dissatisfaction? Why?

–

37. What measures/steps should be taken in order to sustain critical activities and gained results?

- By Community,

–

- By government,

–

- By UNCDF/UNDP?

–

38. What recommendations/suggestions do you have about the nature of the project in the future to improve the performance and to ensure the achievement of objectives?

–

Interview Guide
With District and Central Government Officials/ staff

Office/Location	Discussion Date:
Name, Positions and Sex of the Officials	
1	2
3	4

QUESTIONS	RESPONSES
Relevance	
1. Do key national and international stakeholders and partners view the programme as a useful pilot programme that can serve to inform future and ongoing local governance programmes?	
2. Has programme design targeted the most significant constraints to increased decentralisation?	
Design	
3. How supportive has the Government been to you in the implementing of LGSP-LIC?	
4. How has programme design affected effectiveness and efficiency in the achievement of results and the sustainability of activities and outputs??	
5. How is the learning and dissemination component designed and what linkages to relevant parallel programmes have been provided for in the original design of the programme?	
6. What are the principal achievements of the programme at the outcome/output level?	
7. Is the programme optimally situated in institutional terms and how effective have the institutional arrangements been in support of the programme's objectives?	
Effectiveness	
8. How has the learning function operated in practice? Has it been efficient and has it influenced the design and implementation of the broader LGSP?	
9. How has the policy environment, political commitment and institutional context affected the overall success of the programme and what changes need to be made to raise effectiveness?	
10. Have the necessary systems and capacities been created at the local and central levels to manage decentralised planning and management of services and capital construction?	
11. How and to what extent has participation in decision-making increased at the local level and how (if at all) has the role of women changed? What has been the effect of increased participation and how do different stakeholders perceive it?	
12. What M&E systems are in place and are they effective? How do they need to be modified and/or what capacities need to be built?	
13. Has programme delivery kept pace with	

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UNCDF/UNDP

expectations and matched planned levels and has financial management been sound?	
14. What do you think have been the main weaknesses/failures of the Programme?	
Sustainability	
15. Are the outputs and capacity created at the local level sustainable and are they replicable with or without external support?	
16. What are the critical constraints to sustainability, replicability and scalability and how can they be overcome?	
17. Is capacity retention high and what policy changes can lead to its enhancement?	
18. In your view, what are the main lessons (positive & negative) that have been learned from the Programme?	
19. To what extent have these lessons been shared with other Districts/UPs?	
Future role of the UNCDF/UNDP/Programme	
20. What in your opinion should be the focus of any future intervention?	
21. Are there any other areas of development practice that UNCDF/UNDP should take on or give greater priority?	
Other issues	
22. Are there any other issues that you want to raise about LGSP-LIC or the UNCDF/UNDP?	

ANNEX V: ACHIEVEMENTS AGAINST RESULTS LGSP-LIC FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resources Framework:
1.5 Local governance capacities enhanced
Outcome indicator as stated in the Country Programme Results and Resources Framework Number of UPs allocated performance-based bonuses Number and size of block grants transferred Number of schemes implemented via to community plans
MYFF Service Line:
1.2 Pro-poor policy reform to achieve MDG targets
2.1 Policy support for democratic governance
2.6. Decentralisation, local governance and urban/rural development
2.7. Public administration reform and anti-corruption
Partnership strategy
The Project will be executed by MLGRD&C LGD and implemented by LGD MIE Wing, UPs and NILG LGSP-LIC will be an integral component of the national LGSP (funded by GoB and WB) UNDP, UNCDF, EC Danida and GoB will jointly fund the Project in accordance with pre-determined modalities Cooperation under the LGSP is pursued with other development partners (in particular WB, EU, Danida, DFID, SIDA and SDC) engaged in related activities. Locally, partnerships will be promoted between UPs and local NGOs and private firms

Project title and ID: Local Governance Support Project - Learning & Innovation Component (LGSP-LIC)
Project outcome: Improved Union Parishad capacity for effective, efficient and accountable delivery of pro-poor infrastructure & services.
Indicators:
<ul style="list-style-type: none"> • Improved access to public infrastructure (no of schemes) • Improved quality of service delivery (scheme/asset value, cost, durability, transparency) • Improved legal and regulatory framework for decentralised service delivery at UP level.

Intended Outputs	Output Targets (yrs)	Indicative Activities	Inputs
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Intended Outputs	Output Targets (yrs)	Indicative Activities	Inputs
<p>Output 1: Increased financial resources are made available to UPs in equitable and appropriate ways</p> <p><i>Indicators:</i></p> <ul style="list-style-type: none"> • Predictable formula based allocation mechanism developed • Increased discretionary funding • Timely flow of funds • Procedures for incentivising Union Parishads performance improvement institutionalised • No of schemes implemented by UPs • Improved revenue collection by UPs 	<ul style="list-style-type: none"> • Guidelines developed for ADP funding to UPs as block grant for 6 pilot districts (2007) • Performance assessment arrangements established and assessment teams trained • Performance assessments undertaken in a satisfactory and timely manner each year for all UPs in the 6 Districts • UPs qualify for performance funding in increasing numbers from year to year: 40%-60%-75%-85% • GoB adopts the performance-based methodology for UP funding nationwide • Other funding agencies cost-share and/or replicate the performance-based funding approach • Average annual increase of own revenue collection in all UPs 25% 	<ol style="list-style-type: none"> 1.1 Draft guidelines (formula, access conditions, performance measures, menus of investments, co-funding requirements etc) 1.2 Disseminate guidelines to GoB officials, UPs and the public 1.3 Disburse (quarterly/semi-annual) allocations 1.4 Monitor and report progress in funds disbursement and utilisation 1.5 Support local revenue collection processes 	<p>TA UP Performance-based Block grant budget support funds</p>

Intended Outputs	Output Targets (yrs)	Indicative Activities	Inputs
<p>Output 2: Improved public expenditure systems for local government institutions (UPs) are developed and used</p> <p>Indicators:</p> <ul style="list-style-type: none"> UP prepared pro poor and gender sensitive 5 year Development Plans and annual action plans and budgets Special budgetary allocation for addressing vulnerability and gender Improved procurement practices Effective Scheme implementation system in place UDCCs technically coordinate UP plans UP budgetary provision for O&M Timely technical support from Upazila (LGED) for technical design and certification of works Upazila (UCO) giving support for community mobilisation at Union and ward levels 	<ul style="list-style-type: none"> Planning & Implementation guidelines developed and disseminated (2007) Participatory planning operational in 30% of UPs in 2007 increasing to 100% by 2010. All plans include provision for O&M and 30% of schemes are exclusively identified by women's groups (2007+) Tendering undertaken at UP level and threshold for tendering increased to T100,000 (2007+) Scheme Supervision Committees operational for 100% of all works (2007+) Weatherproof notice boards covering 100% of schemes modified to include O&M requirements Development of guidelines to DDLG and UNOs for UP supervision, mentoring and internal audit (2007) Reduction of waiting time for in LGED approvals and design reduced by 30% (2007), UCO support UFTs and UPs in 30% of UPs (2007) gradually increasing to 100% by 2009. 	<p>2.1 Develop Planning & Implementation guidelines</p> <p>2.2 Recruit and train UFTs</p> <p>2.3 Modify procurement guidelines</p> <p>2.4 Train and support UPs on tendering procedures and tender evaluation process</p> <p>2.5 Train UFTs on construction techniques & works monitoring</p> <p>2.6 Support UFT roll out of technical training for WDCs & SSCs</p> <p>2.7 Review experiences of DDLG and UNOs in undertaking UP supervision, mentoring and internal audit –</p> <p>2.8 Develop manual and training materials for DDLG and UNO support to UPs</p> <p>2.9 Study bottleneck in LGED support to UPs – introduce procedures for UP reimbursement of LGED expenses</p> <p>2.10 Train UCOs in participatory planning and scheme implementation procedures.</p> <p>2.11 Support regular mentoring/oversight of UPs by DDLGs</p> <p>2.12 Support regular oversight/mentoring of UPs by UCOs</p> <p>2.13</p>	<p>Local TA</p> <p>Workshops and training sessions</p> <p>UFT ToT</p> <p>TA for by UFTs at community level,</p> <p>Training on tendering to UPs, UFT training & roll-out of technical training on construction techniques to WDCs and SSCs</p> <p>Vehicle and equipment for 6 DDLGs</p> <p>Motorbike for UCOs in six districts</p>

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Intended Outputs	Output Targets (yrs)	Indicative Activities	Inputs
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Intended Outputs	Output Targets (yrs)	Indicative Activities	Inputs
<p>Output 3: Enhanced mechanisms for local accountability are established and implemented</p> <p><i>Indicators</i></p> <ul style="list-style-type: none"> Public dissemination of UP budgets, accounts and scheme implementation arrangements Regular feedback to Ward constituents by UP members UP standing committees interact on a regular basis with line departments Upazila level fora for UP Chairmen monitor service delivery UP women members' fora interact with line departments on service delivery issues 	<ul style="list-style-type: none"> Dissemination of UP budgets and accounts in 30% of UPs in 2006 increasing to 100% by 2010 Scheme notice-boards erected for all UP-funded projects (2009) Regular (quarterly) Ward meetings facilitated by UP members in Xx% of UPs (2009) Xx% of UP standing committees meet on a regular basis with relevant line departments Xx% of UP Chairmen Fora meet on a regular basis with line departments (2009) Xx% of UP women members' fora meet on a regular basis with line 	<ul style="list-style-type: none"> 3.1 Support IEC campaigns 3.2 Train UPs in communications skills 3.3 Train UP standing committees on roles and responsibilities 3.4 Support UP Chairmen's ' Fora at Upazila level 3.5 Support UP women members' fora 	<p>Public awareness campaigns, posters, notice boards, publicity & leaflets</p> <p>Trainings & workshops</p> <p>Facilitation</p>
<p>Evaluation Team Inception Report</p>	<p>fora meet on a regular basis with line</p>		<p>Page 10</p>

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Intended Outputs	Output Targets (yrs)	Indicative Activities	Inputs
<p>Output 4: More effective framework for capacity development support is established</p> <p><i>Indicators:</i></p> <ul style="list-style-type: none"> • Strategy for LG Training • Strategy for NILG capacity enhancement • Standard training modules • UPs planning and financing own capacity building • Training evaluations 	<ul style="list-style-type: none"> • Strategy developed on LG Training, TNA procedures involving UPs, funding mechanisms, oversight, M&E and QA (2007) • Strategic plan for capacity enhancement of NILG (2007) • Xx NILG and DLG staff with skills and experiences in HRD for autonomous LGs (2007+) • Xx Standard training modules reviewed and improved as appropriate for TOT delivery and responding to LG demands • Procedures developed and implemented for UP demand led training funded 	<p>4.1 Provide consultancy for development of strategy for gradual introduction of demand led training in UPs</p> <p>4.2 Organise consultancy and workshop for development of strategic plan for NILG,</p> <p>4.3 Conduct TNA of NILG and DLG staff for improved skills in HRD management in LGS,</p> <p>4.4 Train NILG/LGD staff</p> <p>4.5 Organise</p>	<p>International and national TA Workshops Trainings Institutional linkages/ academic link for NILG and DLG staff & exchange visits Strategic study tour/s</p>
<p>Evaluation Team Inception Report</p>	<p>through share of block grant (2008)</p>	<p>study tours and peer-learning</p>	<p>Page 11</p>

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Intended Outputs				Output Targets (yrs)	Indicative Activities	Inputs
Output 5: Policy development is informed by lessons of programme implementation				<ul style="list-style-type: none"> Block grant regulations (2007), UP Procurement Regulations 2007), Research findings on UP block grant funding (2007+) Proposals for refined policy, legal and regulatory framework for UPs (2008+) Gender strategy for LG Adequate LGD/MIE database on Xx% of UPs Establish knowledge networking with UNDP regional centres 	5.1 Develop research methodology and work plan 5.2 Conduct field research based on quantitative & qualitative analysis 5.3 Support LGD/MIE policy analysis functions 5.4 Monitor LGS P implementation 5.5 Organise national and local-level workshops 5.6 Organise study tours	International and local TA for policy advice and policy research Field researchers & research costs Policy seminars and meetings Study Tours
Outcome (CPAP)	Indicators (CPAP)	Target (CPAP)	Pr			
Expanded Employment and poverty alleviation opportunities for poor and vulnerable in rural and urban areas through effective local governance, community partnership and basic service delivery	Guidelines developed and applied in selected UP; proposal for refine policy, legal, and regulatory framework prepared. Guideline and manual developed and in use	Mechanism established and applied for transparent formula-based and performance linked funding of Ups. Improved legal and regulatory framework for UPs Participatory planning procedure applied.	<ul style="list-style-type: none"> The Op Manual of discri Block C Union P been d approv implem nationv The ON the elig the tran and acw formula block g as the l system expand Supple Block C Parliam passed Parisha introdu provisio level m Citizen transfe functio UP jurit One ad support UPs. E-gove Stream standin commit All the LIC UP particip plannin proced Specific UPs ar particip proced iregular The Op manual and Ha Manual elabora of Partii Plannin Budget 2376 P 			
Evaluation Team Inception Report			and 26 Budget organiz		5.7 Back stop ping support	
<ul style="list-style-type: none"> Improved legal and regulatory framework for UPs 						

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Intended Outputs	Output Targets (yrs)	Indicative Activities	Inputs
6. Project support	<ul style="list-style-type: none"> Project support team recruited Equipment/vehicle(s) procured Operations & maintenance costs covered Timely reporting and accountability of project funds Mid Term Reviews (2009) 	6.1 Establish project support team 6.2 Procure equipment/vehicle 6.3 Ensure operations and maintenance 6.4 Provide financial reports 6.5 Conduct Mid Term review	Salaries Travel Equipment Office costs Recurrent expenditure Consultants Fees

Table : Key Project Outputs and Outcomes as of End 2009

Expected Output (CPAP) Basic service delivery capacities and participatory governance practices of local government enhanced to the benefit of the poor.				
Output (AWP)	Indicators	Target	Progress	

<p>Output 1: Fiscal Transfer: Increase Financial Resources are Made Available to UPs in Equitable and Appropriate ways</p>	<ul style="list-style-type: none"> • Predictable formula based allocation mechanism developed • Increased discretionary funding • Timely flow of funds • Procedures for incentivising Union Parishads performance improvement institutionalized • No of schemes implemented by UPs • Improved revenue collection by UPs 	<ul style="list-style-type: none"> • Guidelines developed for ADP funding to UPs as block grant for 6 pilot districts (2007) • Performance assessment arrangements established and assessment teams trained • Performance assessments undertaken in a satisfactory and timely manner each year for all UPs in the 6 Districts • UPs qualify for performance funding in increasing numbers from year to year: 40%-60%-75%-85% • GoB adopts the performance-based methodology for UP funding nationwide • Other funding agencies cost-share and/or replicate the performance-based funding approach • Average annual increase of own revenue collection in all UPs 25% 	<ul style="list-style-type: none"> • Operational Manual for 06 Pilot districts drafted in 2007 while it was approved and implemented in 2008. The Harmonized OM to use LGSP and LIC fund following LIC strategy has been approved and implemented in 2009 • Assessment of Minimum Conditions has been introduced since 2007 while International Consultant already conducted and assessment on the existing • Performance Indicators of LIC and the existing guidelines and indicators are going to be revised soon. • However, in 2007-08, 2008-09, 2009-10, the Minimum conditions assessment done in 155 unions, 191 unions and 291 unions respectively accordingly, the assessment teams were trained. • The Assessment of Minimum conditions conducted in 291 unions during March-April/ 2009 period and the eligible list of 264 unions were available before June/2009. Therefore, due to its impartiality and quality most have accepted the Assessment done by independent 	<ul style="list-style-type: none"> • This is definitely the area of the project that has had the most impressive impact and results so far. As listed by project staff, work has been carried out to follow some of the same procedures both for LGSP and LIC. • To qualify for receiving the FY 2008/09 Supplementary Block Grant out of a total of 191 UPs audited: 17 UPs were not qualified, 174 UPs qualified. • To qualify for the FY 2009/10 Supplementary Block Grant out of a total of 291 UPs audited: 27 UPs were not qualified, 264 UPs qualified • While this does not show significant increase in performance it does show a relatively large number of UPs showing acceptable performance and therefore able to absorb increased levels funding • While the Supplementary Block Grant has not yet been rolled out to all UPs, all do in principle receive LGSP grants and GoB wants to increase future transfers.
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			<p>teams and the results.</p> <ul style="list-style-type: none"> • In first year, 23%, in 2nd year 45% and in 3rd year 68% UPs become eligible to get SBG. The first two years, the enrolment of UPs were less than the target because the government policy was to include 20-25% UPs in LGSP on a yearly basis. • The amount of discretionary funding has been increased every year. In 2007-08, the LIC unions received average amount of Tk. 13.5 lacs (EBG and SBG), in 2008-09, it was Tk. 15.00 lacs (EBG and SBG) and in 2009-10, it is around Tk. 15.30 Lacs(EBG and SBG) • The project has disbursed the SBG in a timely manner. The disbursement of EBG has faced some problems with bank due to huge numbers of UPs but SBG has been disbursed in a timely manner. • The UP have been qualified through Financial Audit and Measuring Minimum Conditions (MMC). The system is almost institutionalized because all the stakeholders have accepted the procedures. In 2009 68% (Barguna 68%, 	<ul style="list-style-type: none"> • Work is ongoing now to enhance local revenue potential. But the MTE Team could not verify that there has been an actual increase in collection of local taxes in concerned UPs. What was verified was that the tax self-assessment tool was readily available at UPs visited.
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			<p>Feni 77%, Narsingdi 56%, Habiganj 64%, Satkhira 73% and Sirajganj 73% UPs have been covered by Financial Audit and MMC assessment..</p> <ul style="list-style-type: none"> • In 2009 total 4607 micro projects (schemes) (1896 of FY 2008-09, 2711 of FY2009-10) have been implemented by the 264 UPs where around 8.00 millions people are getting direct and indirect benefit. • The revenue collection is increasing in different unions and Passbooks for revenue collection have been introduced. • Also some unions are practicing Self Assessment of TAX. But, substantial increase will take place next year, after implementation of pilot for increasing revenue mobilization. 	
<p>Output 2: Planning & Budgeting: Improved Public Expenditure Systems for Local Government Institutions (UP) are Developed and Used</p>	<ul style="list-style-type: none"> • UP prepared pro poor and gender sensitive 5 year Development Plans and annual action plans and budgets • Special budgetary allocation for addressing vulnerability 	<ul style="list-style-type: none"> • Develop Planning & Implementation guidelines • Recruit and train UFTs • Modify procurement 	<ul style="list-style-type: none"> • The OM of LGSP and LGSP-LIC was developed in 2007 and implemented in 2008, The Harmonized OM of LIC has been approved and implemented in 2009. All the OMs are the guidelines for Planning and implementation of local development activities. The harmonized OM 	<ul style="list-style-type: none"> • The LIC OM is now harmonised with the LGSP. Planning and accountability system have been put in place and guidelines for procurement too. • The MTE Team was told that 30% women's priorities were in all plans and schemes but evidence from

	<p>and gender</p> <ul style="list-style-type: none"> • Improved procurement practices • Effective Scheme implementation system in place • UDCCs technically coordinate UP plans • UP budgetary provision for O&M • Timely technical support from Upazila (LGED) for technical design and certification of works • Upazila (UCO) giving 	<p>guidelines</p> <ul style="list-style-type: none"> • Train and support UPs on tendering procedures and tender evaluation process • Train UFTs on construction techniques & works monitoring • Support UFT roll out of technical training for WDCs & SSCs • Review experiences of DDLG and UNOs in undertaking UP supervision, mentoring and internal audit • Develop manual and training materials for DDLG and UNO support to UPs • Study bottleneck in LGED support to UPs – introduce procedures for UP reimbursement of LGED expenses • Train UCOs in participatory planning and scheme implementation procedures. • Support regular mentoring/oversight of UPs by DDLGs 	<p>elaborated the participatory planning procedures as well as transparency and accountability framework for local development activities. The guidelines also elaborated standard Procurement procedures and financial/reporting mechanisms.</p> <ul style="list-style-type: none"> • 30% of SBG always earmarked for women prioritized schemes ensures gender equity as well as empowerment of the women. Also the SBG funds are used for pro poor schemes which ensures the shares of vulnerable groups in local development. • The project has introduced para level PP session to ensure greater participation of poor people in the local development planning and decision making. • The Project has introduced government's Standard Procurement Practices at local level. The PPR 2008 has been introduced at local level, which ensures the transparency and accountability in procurement. • As of 2009, total 2376 UFT members have been recruited and 	<p>field visits is vague in terms of how women's priorities have actually been reflected. Due to funding restrictions put on the EU funding for the SBGs, schemes were mostly small earthworks, possibly affecting the selection of women's priorities and calling for more in-depth verification. Anecdotal evidence suggests involvement of women differs between regions.</p> <ul style="list-style-type: none"> • Not fully verifiable. Project statistics show this to be so but other than stated it cannot be verified. • The planning principle of Para level and Ward level planning which then is consolidated at UP level seems to be a useful and very participatory process. A number of women and men have been mobilised at local levels and the general knowledge and interest shown in the LIC UPs was impressive. At Upazila level the BGCC is active and with support of the District facilitators and Upazila
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	<p>support for community mobilization at Union and ward levels</p>		<p>trained. The UFTs have been providing the capacity building support to UPs as well as organizing local level PP sessions and revenue mobilization.</p> <ul style="list-style-type: none"> • The schemes are being implemented by the trained WDCs with participation of community. The Scheme Supervision Committees (SSC) were in charge of supervision and quality control. The scheme notice boards are ensuring the transparency in the implementation process. All the implementation procedures are elaborated in the Harmonized OM, which has been implemented efficiently. Considering the Social and Environmental framework, the Union Parishad Planning Committee (UPPC) plays a vital role in screening of local level scheme proposals sent by WDCs based on community needs . • 06 days ToT has been provided to UFTs to make them skill in conducting training on scheme implementation, participatory Planning, Technical aspects of the schemes as well as to mobilize 	<p>Cooperatives Officers are proving to be very useful for coordination and implementation.</p> <ul style="list-style-type: none"> • The UFTs seem very dedicated and have received some useful training. The level of utilisation is maybe questionable and it might in future be difficult to maintain the system if they are not more actively utilised. Additional training and more systematic use will be beneficial to the project.
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			<p>the community.</p> <ul style="list-style-type: none"> • Trained UFT conducted training for WDC, SSC and UPPC on PP Session, Scheme Implementation, Monitoring, and Supervision, environmental and social safe guard, scheme screening, procurement policy, financial management etc. • In LIC districts, the Block Grant Coordination Committee (BGCC) are performing the coordination responsibilities. The District Facilitators and the Upazila Cooperative Officers are playing a catalyst role to make the BGCC effective to technically coordinate UP plans. • The manual for DDLGs and UNOs to facilitate and support the UP activities is under process and hopefully be ready by 1st quarter/2010 • 41 Upazila Cooperative Officers have received the basic training on LGSP-LIC as well as participatory planning, scheme implementation, monitoring and supervision, procurement and social and environmental safe guard. • Logistic Support like vehicle, 	
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			<p>Computer, Subsistence Allowances, has been provided to DDLGs of six LIC districts to strengthen their Monitoring and support to UPs.</p> <ul style="list-style-type: none"> • UP budget has provision for operation and Maintenance of infrastructures build by their fund. All LIC funded unions have these budgetary provision. • Due to support from LGED engineers in designing and estimation, the 2711 schemes could be implemented within one month, even in the monsoon period. • UCOs are providing support to UPs as they have logistics support from the project. Motor cycles, Computer, Travel Allowances, Fuel costs, Mobile Phone bills are being provided to them from the project, which ensures their mobility and effectiveness to support UPs. 	
<p>Output 3: Local Accountability: Enhanced Mechanisms for Local Accountability are Established and Implemented.</p>	<ul style="list-style-type: none"> • Public dissemination of UP budgets, accounts and scheme implementation arrangements • Regular feedback to Ward 	<ul style="list-style-type: none"> • Dissemination of UP budgets and accounts in 30% of UPs in 20067increasing to 100% by 2010 • Scheme notice-boards erected for all UP-funded projects (2009) • Regular (quarterly) 	<ul style="list-style-type: none"> • Out of 264 unions, in 2009, 100% UPs organized open budget session and accounts are being open to the common people. More than forty thousand persons were present in the open budget 	<ul style="list-style-type: none"> • Yes, although survey suggests that knowledge of sessions is less than 100%. Attendance records being maintained show large numbers.

	<p>constituents by UP members</p> <ul style="list-style-type: none"> • UP standing committees interact on a regular basis with line departments • Upazila level fora for UP Chairmen monitor service delivery • UP women members' fora interact with line departments on service delivery issues 	<p>Ward meetings facilitated by UP members in 90% of UPs (2009)</p> <ul style="list-style-type: none"> • Xx% of UP standing committees meet on a regular basis with relevant line departments • Xx% of UP Chairmen Fora meet on a regular basis with line departments (2009) • Xx% of UP women members' fora meet on a regular basis with line departments (2009) 	<p>sessions. Peoples asked ample questions to UP representatives and the UPs have to clarify the budgets to the community.</p> <ul style="list-style-type: none"> • WDC ensured the notice board in each and every scheme site. The scheme signboards have the information like amount of fund, duration of works, name of the committee members' in-charge for the implementation, volume of work, Logos of development partners and the sources of fund. • WDCs of around 98% UPs organized ward level discussion meeting on a quarterly basis. WDC, SSC, UPPC members and community representatives attended the meetings. The meetings revisited the development activities undertaken by UPs through LGSP, LGSP-LIC and other funds. • 13 standing committees are available in all LIC unions. However, at least 60% of the standing committees are mobile/active in 50% unions. • In all 41 upazilas, the UP chairman forum has been continuing 	<ul style="list-style-type: none"> • Yes spot samples confirm this from field visits. • This was verified at UPs visited. Interviews appear to confirm coverage. • This was also verified at UPZs visited.
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			<p>discussion to improve their performances. They are sharing the best practices and plan to overcome their weaknesses. The Upazila Chairman, UNOs are also taking part in the discussion.</p> <ul style="list-style-type: none"> All 41 Upazila Women Development Forum are holding their quarterly meetings. Observing International Women's Day, Begum Rokeya Day and take care of the rural women. The women development forums are very active in at least 50% upazilas while others are coming up. 	
<p>Output 4: Capacity Development: More Effective Framework for Capacity Development Support is Established</p>	<ul style="list-style-type: none"> Strategy for LG Training Strategy for NILG capacity enhancement Standard training modules UPs planning and financing own capacity building Training evaluations 	<ul style="list-style-type: none"> Strategy developed on LG Training, TNA procedures involving UPs, funding mechanisms, oversight, M&E and QA (2007) Strategic plan for capacity enhancement of NILG (2007) Xx NILG and DLG staff with skills and experiences in HRD for autonomous LGs (2007+) Xx Standard training modules reviewed and improved as appropriate for TOT delivery and responding to LG demands Procedures developed and implemented for UP 	<ul style="list-style-type: none"> The strategy for LG training yet to be developed due to unavailability of International consultant. However, initiatives have been taken to accomplish the task by 2010. In the mean time, general capacity building support to UPs on Official Management, Participatory procedures, Budgeting, Financial Management, Procurement Reporting has been provided by the project at local level Training on LGSP, LIC OM for NILG, 	<ul style="list-style-type: none"> There is no overall capacity building strategy or a strategy for NILG. This was always going to be an ambitious initiative in any case. It would be wise for the project to reconsider this output 4 and maybe do what can be done in the remaining time of the project in terms of direct training for UP, Upazila and other officials but then delay the proposed capacity building strategy for LG training for the upcoming Upazila level

		<p>demand led training funded through share of block grant (2008)</p> <ul style="list-style-type: none"> • UPs plan and budget for training and other capacity building (xx UPs implement own funded capacity building 2008+) • Training evaluation mechanisms developed and implemented (2008+) 	<p>BARD, RDA, /LGD staff was organized</p> <ul style="list-style-type: none"> • Organized 02 abroad study tours for LGD, Finance, ERD officials, while 02 abroad training for LGD, Planning, IMED, C&AG and local level LGD officials to strengthen their capacity and understanding on Decentralization. • In country study tours and Peer learning sessions are organized in better performing UPs to sensitize the comparatively weak UPs . • TOT courses organized by NILG and DLG staff for 74 District level trainer and 1920 Upazila level officials. • 100% UP representatives of 174 UPs of FY 2008-09 received 5 days training on LGSP, LIC implementation modality, Financial Management, Participatory Planning and Budgeting, Procurement and Reporting. • 100% WDC, SSC,.UPPC of 264 UPs have been trained on PP sessions, scheme implementation and Monitoring including technical aspects of the schemes implementation. • A monitoring checklist has been 	<p>project.</p> <ul style="list-style-type: none"> • There was no evidence from the field visits that UPs are planning or financing their own capacity building needs. • As indicated, a number of training sessions have been conducted by NILG. UP, Upazila and other officials have been trained in various issues.
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			introduced by LGSP-LIC to monitor the effectiveness of the training courses organized by the project. The checklist will also provide information about the problems and the delivery capabilities of the facilitators.	
Output 5: Policy Advocacy: Policy Development is Informed by Lessons of Programme Implementation.	<ul style="list-style-type: none"> Improved legal and regulatory framework for UPs Documented experiences of UP block grant funding Proposals for refined policy, legal and regulatory framework MIE Wing with reliable UP performance data DDLG performing LG MIE effectively, Sharing GOB policy papers on LG with the region through the UNDP regional centres 	<ul style="list-style-type: none"> Block grant regulations (2007), UP Procurement Regulations 2007), Research findings on UP block grant funding (2007+) Proposals for refined policy, legal and regulatory framework for UPs (2008+) Gender strategy for LG Adequate LGD/MIE database on Xx% of UPs Establish knowledge networking with UNDP regional centres 	<ul style="list-style-type: none"> The Operational Manual for use of Block Grants developed and approved by LGD. Considering the practical situation of the union parishads, the PPR 2006 was implemented in union parishads with slight changes. The PPR 2008 also been implemented as it was done for PPR 2006. The study on the lessons learnt from the Block Grants has been launched recently and hopefully, the outcomes would be presented in the National Workshop. Harmonized Operational Manual has been implemented in LGSP activities under LIC districts. It creates scope for policy advocacy to replicate LIC strategy in other districts. The District Facilitator option of LIC has been undertaken by LGSP and it has been reflected in 	<ul style="list-style-type: none"> As already mentioned under output 1, the MTE Team found ample evidence good routines and procedures under the LGSP/LIC to document best practice and to disseminate this to both a domestic but also an international audience. As already mentioned above there is evidence that the 2009 UP Act has been influenced directly by lessons learned under LGSP/LIC and the predecessor project in Sarajganj.

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			<p>the revised DPP of LGSP.</p> <ul style="list-style-type: none"> • The Scheme Supervision Committee of LIC unions have attracted the attention and LGSP has introduced SSC in broader three wards of an union. Similarly UPTC has been introduced in the LGSP unions. 	
Output Technical Support	6:	<ul style="list-style-type: none"> • Project support team recruited • Equipment/vehicle(s) procured • Operations & maintenance costs covered • Timely reporting and accountability of project funds • Mid Term Reviews (2009) 	<ul style="list-style-type: none"> • Project support team have been recruited • All equipment and vehicle(s) procured and on board • All reports are prepared and disseminated to the respective offices. • Mid Term Review will be conducted in 1st quarter/2010 	<ul style="list-style-type: none"> • All done and carried out as agreed. MTE only done in 2010 due to late start up of project activities.

ANNEX VI: SUMMARY OF SCHEMES IMPLEMENTED

Table : Summary of Schemes FY 2008/09

SL	Name of District	No. of UP	No. of Scheme	Estimated Amount (SBG) in BDT	Actual Total Expenditure in BDT	Actual Total Expenditure in EUR	Actual Labor Cost in BDT	Actual % of Labor Cost	No. of Labor			No. of Beneficiary		
									Male	Female	Total	Male	Female	Total
1	Borguna	18	185	10,332,174	10,332,174	104,283	10,099,120	98	4,205	2,655	8,860	93,539	77,356	170,895
2	Feni	23	257	15,290,890	15,290,890	154,331	15,042,548	98	3,827	1,572	5,399	163,238	128,164	291,402
3	Habiganj	30	287	18,301,972	18,301,972	184,722	17,992,876	96	5,412	2,553	7,965	280,243	289,890	570,133
4	Narsingdi	27	319	19,038,651	19,038,651	192,158	18,215,426	96	10,334	4,430	14,764	523,732	319,090	842,822
5	Satkhira	38	359	24,564,021	24,564,021	247,925	23,744,181	97	6,967	5,027	11,994	301,040	261,245	562,285
6	Sirajganj	36	489	34,272,292	34,272,292	345,911	33,327,844	97	13,578	675	14,253	484,107	397,032	881,139
Total schemes FY08-09		174	1896	121,860,000	121,860,000	1,229,331	118,021,795	97	44,323	16,912	61,235	1,845,899	1,472,777	3,318,676

Table : Summary of Schemes FY 2009/10

SL	Name of District	Name of UP	Name of Scheme	Total Budgeted Amount	Total Amount Spent			% of Labor Cost	No. of labor engaged			No. of Mandays	No. of Beneficiary		
					Spent for Labor Cost	Other Cost	Total		Mal	Fem	Total		Mal	Fem	Total
1	Borguna	26	0	0	0	0	0	#DIV/0!	0	0	0	0	0	0	0
2	Feni	33	351	22160086	21676506	483580	22160086	98	4279	1980	6139	108360	183215	140172	323387
3	Habiganj	43	391	26617910	24282797	2335113	26617910	91	7662	3541	11203	269182	464462	449925	914387
4	Narsingdi	45	488	30918940	29110583	1808437	30918940	94	4279	3199	7478	205052	364370	247440	611810
5	Satkhira	57	518	36512773	35226050	1286723	36512773	96	11089	7666	18755	240137	407829	348021	756050
6	Sirajganj	60	737	53201827	51381172	1900655	53201827	96	22681	952	23633	396998	1277189	892957	2170146
Total		264	2485	169411536	161597028	7814588	169411536	95	49996	17218	67298	1219648	2694265	2079515	4775780

ANNEX VI: PRINCIPAL DOCUMENTS REVIEWED

Core project documentation

Date	Name of Document	Comments
August 1998	Sirajganj Local Governance Development Project Project Document http://www.uncdf.org/english/local_development/uploads/project/BGD-BGD-97C01_PRODROC_0898_EN.pdf	This is the project document for the original project supporting governance reform in 1 district in Bangladesh – Sirajganj - and the basis for all subsequent support to governance in Bangladesh by UNDP/UNCDF.
April 2003	Mid-Term Evaluation – Sirajganj Local Governance Development Fund project http://www.uncdf.org/english/local_development/uploads/evaluations/BGD97C01-EvalReport.pdf	This is the last ‘formal’ evaluation carried out by UNDP/UNCDF of its ongoing support to local governance reform in Bangladesh.
November 2003	Local Governance and Service Delivery to the Poor: a Case Study http://www.adb.org/Governance/Pro_poor/Rural_case/PDF/UNCDF_Bangladesh.pdf	This is the so-called ‘impact study’ carried out by GHK (Author: Richard Slater) of the Sirajganj project, in part on the basis of which the World Bank decided to roll out the Sirajganj approach nationally in its Local Governance Support Project
May 2006	World Bank Project Appraisal Document – Local Governance Support Project http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2006/06/22/000160016_20060622122022/Rendered/PDF/354940IDA1R2001110disclosed0June0161.pdf	This is the broader World Bank project which rolls out the Sirajganj approach nationally. Note that initially the Learning and Innovation Component project was designed to run in parallel to the World Bank project, experimenting with ‘second generation’ reforms. Later, the LIC became part of the LGSP replacing the originally-intended fifth component: a Social Protection pilot.
September 2007	Project Document – Learning and Innovation Component http://www.uncdf.org/english/local_development/uploads/project/BGD-LGSP-LIC_PRODROC_0907_EN.pdf	This is the original project document also available on the website. This remains the basic project design document
June 2010	Deepening Local Democracy and Scaling Up Support for the MDGS through Upazila and Union Parishads – Programmatic Framework for support to local governance 2011 – 2015	Background document to the 2 project proposals currently under discussion and awaiting approval by the EC as one of the main donors
June 18, 2010	Upazila Parishad and Union Parishad Support Programmes – Draft Programme Documents	Draft proposals for continued UNDP/UNCDF funding of support to local government reform in Bangladesh, continuing and refining the Sirajganj and the LIC approaches (more updated versions will be available during mid-September)

Documentation/information relating to implementation

Date	Name of Document	Comments
2007, 2008, 2009, 2010	Annual Work Plans	
2007, 2008, 2009	Annual Progress Reports	
2007, 2008, 2009	Budget implementation information, including fiscal transfer schedule	
2010	Overview of scheme implementation Number schemes implemented and cost of construction, information on maintenance cost and service cost were not available	
April/May 2009	European Commission Results-Oriented Monitoring mission – report and background conclusions sheets	This includes interesting and relevant conclusions according to the European Commission's well-established results-oriented monitoring approach (using an evaluation approach to assess ongoing project implementation), but please note the limited time for the exercise (1 consultant, 8 days maximum, of which 4/5 in the field).

Key project outputs (studies/operations manual)

Date	Name of Document	Comments
October 2007	Union Parishad Operational Manual (OM) for LGSP Learning and Innovation Component	LIC Project Output - This is the basic document setting out 'the procedural framework that will assist UPs in handling day-to-day operations related to the increased block grants fund management and associated activities. It contains details of the procedures to be followed by the UPs in relation to selection, approval, implementation, supervision and completion of schemes, as well as the procurement of goods, works and services' (Preface to the OM)
December 2009	Local Government and Development in Bangladesh: Lessons Learned and Challenges for Improving Service Delivery of Union Parishads Dr. Salahuddin M. Aminuzzam, Professor, Department of Public Administration, University of Dhaka	LIC Project Output – Paper presented to the National Workshop on <i>How to improve the Service Delivery of the Union Parishads</i> , organised by the Ministry of Local Government, Rural Development and Cooperatives and UNDP, December 12 – 13, 2009
December 2009	LGSP-LIC Study of Women's Participation in Local Development in the LIC Districts in Bangladesh – December 2009 Professor Zarina Rahman Khan, Department of Public Administration, Dhaka University	LIC Project Output
10 January 2010	Presentation on Innovations of LGSP – LIC in World Bank	LIC Project Output

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	LGSP retreat	
March 2010	Monitoring and Evaluation Strategy for LGSP – LIC prepared by Dr. Santi Rankan Howlader, M+E Consultant	LIC Project Output. Originally it was intended for the LIC project to use an M + E system to be developed by the broader LGSP project. Because of delays in this, it was agreed to recruit a consultant to 'propose a robust M + E system, framework, tools and guidelines for LGSP – LIC to be fine-tuned through review by the Local Government Division, UNDP and UNCDF prior to implementation at the field level'.
December 2009	'Local Government and Development in Bangladesh: Lessons learned and challenges for improving service delivery of Union Parishad', Dr. Salahuddin Aminuzzam, Department of Public Administration, University of Dhaka	LIC Project Output
May 2010	Report on learning and innovations from LGSP – LIC	LIC Project Output
Ongoing	40 page best practice report on learning and innovation carried out to date by the project being carried out by Simon De Lay	LIC Project Output - This exercise is still ongoing (June – October 2010). Available at this stage are the Terms of Reference which provide a clear overview of some of the challenges experienced under the project, particularly in terms of the transmission of learning and innovation within the project districts, and between the project and the broader, national-level LGSP. As well as a Team Briefing note setting out lessons learnt so far.

Related documentation

Date	Name of Document	Comments
July 2007	<i>Learning Accumulation Brochure</i> – Sirajganj Local Governance Development Project – Unnayan Shamannay	
April 2007	Joint Mission for DANIDA Support to Local Governance and Decentralisation in Bangladesh – Draft Final Report	This report was one of the outputs from an identification mission by DANIDA regarding future support to local governance reform in Bangladesh. The mission recommended that approximately USD 1.5 million be assigned to the Learning and Innovation Component.
December 2009	UNDP Mid-Term Evaluation of Progress towards Outcomes in Governance in Bangladesh	
June 24, 2010	UNDP Assessment of Development Results – Bangladesh – Inception Report	This exercise is currently ongoing
July, 2010	Draft Aide-Memoire, LGSP Internal Supervision Mission by the World Bank	Concerning the LGSP, note 1) that there was significant focus on learning and innovation in the design of Components 3 (capacity development) and 4 (performance review and policy development) of the World Bank project. It is unclear the extent to which this has actually taken place and/or what mechanisms were set in place to

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		enable the LIC learning and innovation activities to properly support this (see ToR for Simon De Lay consultancy mentioned below for more information on this). Secondly, note that the World Bank is currently designing a follow up to the LGSP project. More information would be available from World Bank HQ and from the Dhaka country office.
Ongoing	European Commission Project Identification Fiche, together with preliminary comments from the internal European Commission's Quality Support Group	This is the first in 2 stages of the EC approval process for new projects. The formulation stage is currently ongoing, with the European Commission Delegation in Dhaka set to submit the final identification fiche in October for approval by Commission HQ and EU Member States. If approved, this would ensure significant support to the two proposed project proposals by the EC.
December 2009	<i>Steps Towards Change: National Strategy for Accelerated Poverty Reduction II (PRSP)</i>	
2009	Unofficial translations of the UP Act 2009 and the UZP act 2009 (legislations)	

ANNEX VII: PRIMARY SOURCES OF DATA

Ward Level:

1. Resolutions of the Ward level participatory planning sessions (Scheme prioritization, attendance, scheme list, map etc.)

Union Level:

1. Five year/multi year development plan based on Ward level plan
2. Resolution/photograph/media coverage of open budget meeting, attendance register
3. Scheme register (funded by SBG) at Union Parishad level
4. Union Parishad/Ward level register of various types of training organized
5. Union Parishad tax assessment and collection records

Upazila/District Level:

1. Ward District Facilitator quarterly meeting register
2. Union Parishad chairman meeting register/minutes/resolution (held quarterly)
3. Upazila Cooperative Officer monthly progress meeting
4. UFT training documents
5. WDF training documents
6. Upazila level UP chairman/GoB (SBG coordination meeting) minutes

ANNEX VIII: REFERENCES

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Majumdar, Badiul Alam (2009) Union Parishads in Transition, The daily Star, 12 August.

UNDP Country Programme for Bangladesh, 2006-2010

World Bank (2002) "Improving Governance for Poverty Reduction" Washington

ANNEX IX: LIST OF PERSONS MET

Government of Bangladesh, Dhaka

Swapan Kumar Sarkar, Joint Secretary, Directorate General, Local Governance Division, Ministry of Local Government and Rural Development

Md. Aminul Islam, Deputy Secretary, Public Financial Management Specialist, Local Government Division, Ministry of Local Government and Rural Development (on lien from Ministry of Finance)

Azizur Rahman Siddique, Former Project Manager, LGSP-LIC

Md. Babul Azad, Monitoring and Evaluation Officer, Local Governance Support Project, Learning and Innovation Component, Ministry of Local Government and Rural Development

UNCDF, New York

David Morrison, Executive Secretary, United Nations Capital Development Fund

Kadmiel Wekwete, Director, Local Governance Division, United Nations Capital Development Fund, New York

David Jackson, Regional Programme Manager, United Nations Capital Development Fund, Bangkok (by telephone)

Christian Fournier, Senior Technical Adviser on Local Development, United Nations Capital Development Fund

Chandi Kadirgamar, Evaluation Adviser, Head, Evaluation Unit, United Nations Capital Development Fund, New York

Andrew Fyfe, Evaluation Specialist, Evaluation Unit, United Nations Capital Development Fund, New York

Mazen Gharzeddine, Local Development Specialist, United Nations Capital Development Fund

UN Country Office, Dhaka

Stefan Priesner, Country Director, United Nations Development Programme, Bangladesh

Robert Jukham, Deputy Country Director (Programme), United Nations Development Programme, Bangladesh.

Shaila Khan, Assistant Country Director, Head, Governance Cluster, United Nations Development Programme, Dhaka

Sydur Rahman, Programme Analyst, Local Governance, United Nations Development Programme, Dhaka

Teresa Benito Lopez, Programme Officer, United Nations Capital Development Fund/United Nations Development Programme, Dhaka

Flavio Bellomi, Communication and Knowledge Management Officer, United Nations Capital Development Fund/United Nations Development Programme, Dhaka

Jesmul Hasan, Programme Analyst, United Nations Capital Development Fund/United Nations Development Programme, Dhaka
Dhaka

UNDP, New York

B. Murali, Country Programme Manager/Senior Programme Specialist, South and West Asia Division, Regional Bureau for Asia and the Pacific, UNDP, New York
Tam Pham, Country Programme Manager/Programme Specialist, South and West Asia Division, Regional Bureau for Asia and the Pacific, UNDP, New York

World Bank

Balakrishna Menon Parameshwar, Task Manager, LGSP-LIC, The World Bank, Washington D.C. (by phone)
Syed Khaled Ahsan, Institutional Development Specialist, The World Bank, Dhaka
Santanu Lahiri, Senior Decentralisation Specialist, Water and Sanitation Program, The World Bank, Dhaka
Mark Ellery, Water and Sanitation Specialist, Water and Sanitation Program, The World Bank, Dhaka

Swiss Development Cooperation, Dhaka

Joseph Guntern, Head of Cooperation, Swiss Agency for Development Cooperation, Dhaka
Tommaso Tabet, Assistant Coordinator, Local Governance, Swiss Agency for Development Cooperation, Dhaka
Tirtha Sharathi Sikder, Deputy National Coordinator, Local Governance Programme (Sharique), Inter-Cooperation, Swiss Foundation for Development and International Cooperation, Dhaka
Jens Engeli, Advisor, Inter-Cooperation, Swiss Foundation for Development and International Cooperation, Dhaka

European Union

Véronique Geoffroy, Attaché, Programme Manager for Governance, European Union, Delegation to Bangladesh

Other

Salahuddin M. Aminuzzaman, Professor of Public Administration, University of Dhaka
Tofail Ahmed, Governance Adviser, Dhaka
Muslieh Uddin Ahmed, Professor, Department of Public Administration, University of Dhaka
Richard Slater, Team Leader, MPUSP, Bhopal, India (by phone)
Simon De-Lay, Consultant, UNCDF (University of Birmingham, United Kingdom)

FIELD VISITS:

SIRAJGANJ DISTRICT

Purnemagathe Union Parishad

Md. Gazi Khorshed Alam, Chairman, Union Parishad
Asab Ali, Member, Union Parishad
Taibur Rahaman, Member, Union Parishad
Zakir Hassain Chand, Member, Union Parishad
Ziadul Haque Thandue, Member, Union Parishad
Abdus Satter, Member, Union Parishad
Bulbul Kabir, Member, Union Parishad
Abdur Rashid, Member Union Parishad
Abdul Gafur, Member, Union Parishad
Kohenoor Khutun, Female Member, Union Parishad
Asiea Begum, Female Member, Union Parishad
Shafale Khutun, Female Member, Union Parishad

Ward Development Committee

Abtab Uddin, Member, WDF
Zahurul Haque Master, Member, WDC

Abdul Hamid, Member, WDC
Most. Sufia Khutun, Member, WDC
Mijanur Rahaman, Member, WDC

Scheme Supervision Committee

Mahin Sarder, Member
Abdul Karim, Member
Most. Chamala Khatun, Member
Most. Jorina Khatun, Member
Abdur Rashid, Member
Shajan Hossain, Member
Mohir Uddin, Member

Ullapara Upazila

Alhaj Zahidul Haque, Upazila Chairman
Afroja Khutun Lipe, Upazila Vice-Chair
Autul Sarker, UNO

Department of Local Government, Rural Development and Cooperatives

Md. Maruf Hassain, Upazila Cooperative Officer
Md. Nuruzzaman, Upazila Cooperative Officer
Md. Akram Hossain, Upazila Cooperative Officer
Nurul Islam, Upazila Cooperative Officer
Jalil Taludker, Upazila Cooperative Officer
Shafiqul Islam, Upazila Cooperative Officer
Md. Hossain Shahid, Upazila Cooperative Officer
Mazud Rana, Upazila Cooperative Officer

National Development Programme (NGO)

Pore Chandra, Deputy Director
Shazzad Hossain, Assistant Director
Kazi Masudzammen, Manager, Monitoring and Evaluation
Md. Moslumudden Ahmad, Manager, Finance
Mijinur Rahaman, Programme Manager

FENI DISTRICT

Dagoonbhuiyan Upazila

Ramnagar Union Parishad Members

Abul Hasem Bahadur- UP Chairman
Abul Dulal Ch. Das-UP Secretary
Aleya Akter, Female Member
Ferdousara Begum, Female Members
Irin Akter, Female Member

Ward Development Committee Members

Abul Kasem, Secretary, WDC
Lokman Hossain, Member, WDC
Seuli Akthar, Member, WDC
Noor Para, Member, WDC
Krishanapad Bhowmik, Member, WDC

Scheme Supervision Committee

Nurul Islam-Chairperson, SSC
Parimol Ch. Dey-Member, SSC
MS. Bibi Kulsum-Member, SSC
Nasrin Akter-Member, SSC

Union Facilitation Team

Jahangir Alam
Payara Begum
Sultana Rabeya

Community Leaders

Faroque Ahmed, Head Teacher, Ramnagar High School
Hasina Aktar, Head Teacher, West ramnagar Govt, Primary School
Kaji Md. Hossain, Literature and Journalist, Islamic TV
Md. Sadek Hossain, Registrar, Krishak Mat School

Sonagazi Upazila

Md. Jahir Rayhan, UNO
Z.M. Kamrul Aman, Upazila Chairman
Ms. Jannatul Ferdous, Upazila Vice-Chair

Women's Development Forum
Jahanara Begum, Chair, WDF
Sultana Begum, Secretary, WDF
Bibi Fatema, Member, WDF
Sajeda Akter, Member, WDF
Daulatara Begum, Member, WDF

Charchandia Union Parishad

Md. Samsuddin Khokan, Chairman, Union Parishad
Md. Roymohan Nath, Secretary, Union Parishad
Abu Sufian, Member, Union Parishad
Yaskmin Akter, Female Member, Union Parishad
Md. Shahjahan, Member, Union Parishad

Ward Development Committee Members

Abul Basar, Secretary, Ward Development Committee
Md. Mohiullah, Member, Ward Development Committee
Md. Mainuddin, Member, Ward Development Committee

NORSINGHDI DISTRICT

Upazila Nibahi

Amrita Baroi District Commissioner, Narsinghdi
Md. Golam Mostafa, Deputy Director Local Government
Shaila Yasmin, Cooperative Officer,
Jamal Uddin, Cooperative **Error! Reference source not found.**
Reajul Islam, Cooperative Officer
Md. Ali Chowdhuri, Cooperative Officer
Daulat Uddin, Cooperative Officer

Amirgani Union Parishad

Md. Mozammel Haque, Chairman, Union Parishad

Md. Mostafa Bhuiyan, Union Parishad Member
Sefali Begum, Female Union Parishad Member
Md. Hamid Mia, Union Parishad Member
Md. Shajahan Bepari, Union Parishad Member
Md. Dhan Mia, Union Parishad Member
Motin Bhuiyan, Union Parishad Member
Nurjahan Begum, Female Union Parishad Member
Gojer Hossein Union Parishad Member
Shanaz Shikder, Female Union Parishad Member
Habibur Rahman, Union Parishad Member

Ward Development Committee

Momtaz Mia, Member
Kalmuddin Akter, Member
Amir Ali, Member
Shamsul Haque, Member
Monowara Begum, Female Member
Abdul Hai Bhuiyan, Member
Chandan Saha, Member
Mzianur Rahman, Member
Nazma Begum, Female Member
Abhu Hanif, Member

Scheme Supervision Committee

Abul Hossain Bhuiyan, Member
Nilima, Female Member
Idris Ali, Member
A.K.M. Zakaria, Member
Shaher Banu, Female Member
Mizanur Rahman, Member
Hasnahena, Member
Md. Zakaria, Member
Khorsed Alam, Member
Lili Begum, Female Member
Faror Uddin, Member
Runu Akter, Member
Harisul Haque, Member

Union Facilitation Team

S.M. Sharif, Union Facilitator
Fokni Hasan, Union Facilitator
Sajjad Hossein, Union Facilitator
Masum Billa, Union Facilitator
Rafiqul Islam, Union Facilitator

Upazila Polash

Ms. Farkul Islam, Chair
Ms. Tahmina Akhter, Vice Chair

Women's Development Forum (Upazila Belabo)

Hasna Hena, Upazila Vice-Chair
Sabera Sultana Shapna, Member
Dilruba Begum, Member
Rehena Sultana, Member
Fardowshi Begum, Member
Nashima Mahbub, Member

Nadira Sultana, Member

Community Members, No. 2 Ward, Bainaba Union

Rahmat Ali
Siraj Mia (SSC)
Raich Uddin (SSC)
Lal Mia (WDC)
Rabeya (WDC)
Kaium
Renuara
Immam Uddi
Fakrul Islam
Tamina Akhter

ANNEX X: WIDER ARRAY OF PARTNERS

PROGRAMMES AND ACTIVITIES OF DEVELOPMENT PARTNERS²³ IN LOCAL GOVERNANCE IN BANGLADESH

Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
ADB	Supporting Urban Governance Reform	2004-2005	\$ 0.4 mil.		LGED LGD	Assist the Committee on Urban Local Governments (CULG) prepare draft Urban Sector Policy Paper for Cabinet approval, study and recommend reforms in holding tax systems, recommend amendments to Pourashava Ordinance 1977 and prepare draft Municipal Master Plan	<ul style="list-style-type: none"> - Improve access to and quality of infrastructure services - effective and accountable local government bodies - strengthen civil society and people's participation 	
ADB	Urban Governance and Infrastructure Improvement	Nov 2002-Dec 2009	\$ 60.0 mil		LGED Pourashavas	Develop and improve urban infrastructure facilities to increase economic opportunities and to reduce vulnerability to environmental degradation, poverty, and natural hazards. -Enhance accountability in municipal management and strengthen the	<ul style="list-style-type: none"> - Improve access to and quality of infrastructure services - effective and accountable local government 	

²³ Source: Working Group on Local Governance, Last update 4 March 2010

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
						capabilities of urban local municipal service delivery Activities:	bodies - strengthen civil society and people's participation	
ADB, OPEC Fund	Secondary Towns Water Supply and Sanitation Project	2006-Dec 2011	Total 50.0 mil. ADB \$41.0 mil. OPEC 9.0 mil.		DPHE Pourashavas	Access to improved safe water and sanitation services in the project areas. Enhance accountability in municipal management and strengthen the capabilities of urban local municipal service delivery	Improve access to and quality of infrastructure services -effective and accountable local government bodies - strengthen civil society and people's participation	
ADB, OPEC	Secondary Towns Integrated Flood Protection Project II	Dec 2004-Dec 2009	\$80 million (ADB) \$15 million (OPEC)		BWDB LGED Pourashavas	Relatively flood-free and secure living environment within the framework of integrated flood protection Improved urban governance for sustainable urban service delivery	- Improve access to and quality of infrastructure services - effective and accountable local government bodies - strengthen civil society and people's participation	

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
ADB	Urban Governance and Infrastructure Improvement II	2008-2013	\$60 million (ADB) + others		LGED Pourashavas	Develop and improve urban infrastructure facilities to increase economic opportunities and to reduce vulnerability to environmental degradation, poverty, and natural hazards. Enhance accountability in municipal management and strengthen the capabilities of urban local municipal service delivery	- Improve access to and quality of infrastructure services - effective and accountable local government bodies - strengthen civil society and people's participation	
ADB (KfW, GTZ)	Rural Infrastructure Improvement	2003-2009	Total: 76.9 ADB: 60 KfW: 11.9 GTZ: 5		LGED Union Parishads	Participatory improvement of sustainable rural infrastructure (including upazila & union roads, growth center markets, union parishad (UP) complexes, boat landings, small ferries) in project area (16 districts of Khulna & Barisal Divisions).	- Improve access to and quality of infrastructure services - effective and accountable local government bodies - strengthen civil society and people's participation	
ADB (DFID, KfW, GTZ)	Rural Infrastructure Improvement II	2007-2012	Total: 215 ADB: 96 DFID: 61 KfW: 22 GTZ: 3.6		LGED NILG Union Parishads	Participatory improvement of sustainable rural infrastructure (including upazila & union roads, growth center markets, union parishad (UP) complexes, boat landings, small ferries) in project area (23 districts of Dhaka, Chittagong &	- Improve access to and quality of infrastructure services - effective and accountable local	

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
						Rajshahi Divisions) Gender development Improving local governance through NILG training for 1,832 UPs	government bodies - strengthen civil society and people's participation	
Danida	Agriculture Sector Programme Support II	Oct 2006 - Sept 2011			MoA, MoFL, MoLJPA, LGD, DAE, DoF, DLS, LGED, NGOs	<p>Improve living condition of poor, marginal, and small farmer households through enhanced, integrated and sustainable agricultural productivity.</p> <p>Support to Union Parishads is envisaged both in terms of capacity building and facilitation and management of user-defined small scale development interventions, establishing demand responsive annual infrastructure plans and guidelines for UP infrastructure planning. Provision of a modest annual block grant to the UPs is envisaged to support community activities or producer groups/CBOs in the livestock and fisheries sector.</p>	<p>Improve access to extension service and quality infrastructure</p> <p>Effective and accountable local govt. institutions</p>	
Danida	Water Supply and Sanitation Sector Programme Support	Jan 2006 - Dec 2010.			LGD, DPHE, NILG, BUET, UPs, Pourashavas, NGOs	The programme works closely with the Union Parishads and Pourashavas in planning and implementing field level activities through these bodies and at the same time build their capacity in the technical aspects of water supply and sanitation services. It supports NILG and also envisages funding to eligible union parishads for implementation of	Improve access to basic service and effective and accountable local government institutions	

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
						hygiene, sanitation and water through the HYSAWA Fund.		
Danida	Strengthening Women's Rights and Representation in Local Government.	Jan 2006 – Dec 2007			Nari Uddug Kendra (NUK)	Promote sustained and effective role of elected women in local government affairs to establish women's rights and gender equality. The project provides training to women local government representatives on their role and responsibilities, gender issues and human rights. It cooperates with the National UP Forum, the Women Policy Group and 17 local women's organisations on advocating for a better environment for women in the local government institutions.	Effective and accountable local government institutions	Project under the Human Rights and Good Governance Programme
Danida	Strengthening Local Government through Participatory and Responsive Public Services	Jan 2006 – Dec 2007			WAVE Foundation	<p>Demand driven and responsive delivery of social justice and services through strengthening Union Parishad Standing Committees, village courts and mobilisation of the rights holders in south western Bangladesh.</p> <p>The project supports strengthening of the Governance Coalition composed of 32 partner NGOs to strengthen community based people's alliance in 66 unions for more active advocacy in responsive local government.</p>	Strengthening accountability and transparency of LGIs.	Project under the Human Rights and Good Governance Programme
Danida	People's Reporting Centre – Strengthening Partnership	Mar 2006 – Dec 2010			Democracy Watch	<p>Building effective Union Parishads where community people have a stake.</p> <p>The project will establish citizens committees in 28 unions in 4 districts</p>	Strengthening accountability and transparency of LGIs.	Project under the Human Rights and Good Governance Programme

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
	between people and locally elected bodies for better management of Union Parishads.					as a means for citizens to contribute in the local development process and establish a monitoring system to assess the performance of elected representatives based on report cards.		
DFID	Chars Livelihoods Programme (CLP)	2004-2011	\$205,714 for 2006-07 only		Union Parishads	<ul style="list-style-type: none"> To raise plinths of poor Chars dwellers; UPs to use pro poor infrastructural projects UPs/NGOs to manage various 'cash for work' schemes during seasonal hunger (Monga); 	Local Governance and Safety net	
EC	LGSP-LIC	60 months	Total: \$ 16.95 m. EC: \$12.64 m	397 UP in 6 districts	LGD	Objective: Enhance the capacity of UPs to deliver pro-poor services in an effective and accountable manner. Outputs: Supplementary capital budget allocations, performance-linked funding mechanisms and support for revenue collection; local PEM piloting; piloting demand-driven capacity development approaches; feeding lessons of pilots into "second generation reforms".	Local Governance	Co-financing with UNDP/UNCDF
EC	SCORE	01/06-12/09 (48 months)	Total: \$ 729,000 EC: \$ 547,000	44 UP in 3 districts in SW BD	VSO	Increase the ability of local communities to identify, communicate and demand their rights through LG mechanisms; increase the capacity of UPs to deliver basic services in a more participatory, gender-sensitive and accountable way and to promote community priorities to higher-level	Local Governance	

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
						decision-makers.		
EC	Federation Capacity-Building	01/03 – 06/06 (42 months)	Total: \$ 3.23 m. EC: \$ 1.94	260 Union Federations in NW BD	Dan Church Aid	Develop the capacity of Union Federations as effective CBOs to support development	Local Governance	6-month extension planned
GTZ	Rural Infrastructure Improvement Project (RIIP) (RDP-25)	01/04 – 06/09	Total: 2.0 DP: 2.0	UP: 899	LGED	Objective of component: Improve governance at local level in rural areas Activities: UPs: Orientation Training to all 899 UPs in Khulna & Barisal Division; Additional training, intensive coaching and performance-based project grants for 32 pilot UPs; MMCs: Orientation Training to 68 Market Management Committees, followed by regular monitoring visits.	PRSP Annex 4, Policy Matrix 18: Promoting Good Governance; PRSP Annex 4, Policy Matrix 16: Women's Advancement & Rights; PRSP Annex 4, Policy Matrix 5: Rural Non-Farm Activities	Component of a larger (117.2 million US\$) project on rural infrastructure and poverty reduction in 16 Districts of Khulna & Barisal Divisions. DPs: ADB, KFW, GTZ. The cost of \$ 2 mil. is provided by GTZ for local governance
GTZ & DFID (ADB, KFW)	RIIP-2	01/07 – 12/11 (under preparation)	Total: 2.16 GTZ: 0.76; DFID: 1.40	UP: 1832	LGED	Objective of component: Improve governance at local level in rural areas Activities: UPs: Regular mentoring for 1832 UPs through Liaison Officers & Community Organisers. MMCs: Orientation Training to 160 Market Management Committees, followed by regular monitoring visits.	PRSP Annex 4, Policy Matrix 18: Promoting Good Governance; PRSP Annex 4, Policy Matrix 16: Women's Advancement & Rights; PRSP Annex 4, Policy Matrix 5: Rural Non-Farm Activities	Component of a larger (260 million US\$) project on rural infrastructure and poverty reduction in 23 Districts of Rajshahi, Dhaka and Chittagong Divisions. This Amount of \$ 2.16 mil. is provided by GTZ and DFID for local governance.
Swiss Agency for	An Alternative Programmatic	3 years (July	0.750 mil.	20 UPs	Rupantar (NGO)	Objectives: Develop active women leadership at	Policy Matrix-1 (Good	The NGO Rupantar has other LG programmes with

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
Development & Cooperation (SDC)	Intervention to Develop Grassroots Women Leadership in Union Parishads	2007 – June 2010)				social and organizational level Encourage strong women organisational activities(ward to upazila level groups) Support enhanced management & monitoring capacity of Rupantar	Governance,# 2.Promoting local governance) Policy Matrix-2 (Women's Advancement & Rights)	USAID/RTI, Manusher Jonno & CARE Bangladesh (SHOUHARDO) Next 3 years phase being planned for (i) consolidation and (ii) Rupantar's OD
Swiss Agency for Development & Cooperation (SDC)	Sustainable Solutions for the Delivery of Safe Drinking Water (SDSD)	3 years (July02009 – June 2011)	1.9 mil.	17 UPs	Development Association for Self Reliance, Communication & Health (DASCOH)	<u>Objectives:</u> 1.Improved capacities of UP to better influence, manage, control WATSAN services 2.Communities able to act with UPs on WATSAN issues 3. Accountability assured through qualitative Project Planning & Mgmt cycle by DASCOH		SDC phasing out phase.
Swiss Agency for Development & Cooperation (SDC)	Local Governance programme in Rajshahi & Sunamganj	Phase 2 (Sept 2009-Aug. 2013)	4 mil.	100 UP	Inter Cooperation	<u>Objectives:</u> Support LGIs to manage public affairs effectively, efficiently, transparent and be more responsive and accountable to the community, especially the poor, marginal groups and women Encourage Civil society to participates more responsibly in local planning and decision-making & ask for transparency and accountability, playing a more significant role in local development processes Support capacity building of UPs to work & coordinate better (<i>Coordination</i>)		

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
						Ensure that experiences & good practices are capitalised & disseminated to other relevant actors, and are introduced into the national policy discussion		
Japan International Cooperation Agency (JICA)	Participatory Rural Development Project Phase 2 (PRDP 2)	June 2005 - May 2010	Total: 5.7m DP: 5m	Type: UP No: 12 UPs/3 Upazilas.	Bangladesh Rural Development Board (BRDB)	To incorporate the needs of rural population in the process of development by establishing a mechanism that links villages and LGIs.	PRSP Annex4, Policy Matrix 18, 2.Promoting Local Governance	Nation Building Departments operating at the Upazila level are also incorporated in the mechanism.
JICA	Local Development Coordination Programme (LDCP)	April 2003 – March 2007	Total: 0.5m DP: 0.5m	Type: UP No: 5	Local Government Engineering Department (LGED)	To incorporate the needs of rural population in the process of development by introducing a new mechanism that links villages and LGIs in the selected unions of Greater Faridpur Region.	PRSP Annex4, Policy Matrix 18, 2.Promoting Local Governance	LDCP makes the best use of UP complexes constructed in the region by LGED with Japan's assistance.
JICA	Participatory Integrated Rural Development Project in Ishwarganj	Aug. 2004 – July 2007	Total: 0.5m DP: 0.5m	Type: UP No: 11	Shapla Neer	To uplift the life of the poor by establishing villagers' organizations, linking them to LG services and providing individual villagers with opportunities to empower themselves.	PRSP Annex 4, Policy Matrix 18, 2.Promoting Local Governance	
UNDP /UNCDF	Local Governance Support Project-Learning & Innovation Component(LGSP-LIC)	September 2007 to Dec. 2011	Total: US\$18.1m UNDP:1.7 UNCDF:2.5 EC: 11.8m Danida:2.0m GOB:0.06 m app	388 Union Parishads	LGD	Objective: Promote poverty reduction and MDG achievement through improving UP capacities for effective, efficient and accountable pro poor service delivery using innovative approaches. LIC is the learning and innovative component of LGSP- a national project supported by WB to promote better local governance and local service delivery. LIC supports i) UP performance linked finances	PRSP Annex 4, Policy Matrix 18, 2.Promoting Local Governance; Supports achievement of MDG 1, 2, 3, & 7	Co-financed by EC- Food Security ensuring employment of rural poor in scheme implementation; 30% of the Block grants earmarked for women identified/implemented schemes.

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
						ii) promotes local public expenditure management through participatory approaches iii) enhances mechanisms for local accountability iv) promotes demand led capacity building v) supports policy advocacy		
UNDP	Strengthening Upazila Parishad	11 Months (July 2009-May, 2010)	1.1 Million	Upazila Parishad (all)	UNDP LGD NILG BARD RDA	<p>Effective framework for capacity development of elected UZP Chairmen, Vice-Chairmen, members and the key functionaries developed.</p> <p>Constituencies and policy makers are sensitized on the roles and functions of UZPs vis-à-vis whole decentralization process.</p> <p>Proper documentation and policy input through research and evaluations and Promotion of healthy debate on decentralization in general and local government strengthening in particular</p>	Local governance	This is a UNDP Preparatory Assistance Project (PA) to formulate a new project on Upazila. All elected upazila officials will be trained under this PA.
UNDP	REOPA	07/2007 to 05/2011	EC: \$ 37 m. UNDP: \$ 0.9 m	388 UP in 41 Upazilla in 6 districts	LGD UNDP	<p>The overall development objective of REOPA Project is to contribute to sustainable socio-economic development of rural Bangladesh. The two parallel and interrelated development purposes of the REOPA Project are:</p> <p>Purpose 1: Socio-economic conditions and food security of REOPA Project's individual beneficiaries are improved and sustained.</p> <p>Purpose 2: Social, economic and</p>	Social Safety Net & Local Governance. Policy Matrix-(Good Governance); Promoting local governance and Policy Matrix (Women's Advancement	<p>REOPA is one of the GoB's social safety net projects, which contribute to the long term sustainable socioeconomic development of rural Bangladesh.</p> <p>It is basically ensuring all-year and seasonal employment for over 24,000 ultra poor women including destitute rural women. In addition, also contributing</p>

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
						environment conditions of rural communities, especially of the poor are improved through pro-poor investment	& Rights)	the capacity strengthening process of 388 UPs in implementing pro-poor investment related activities like maintenance of rural earthen roads; improvements in service delivery and creation of public assets; Through 6 partner NGOs, project is supporting in improving life skills of over 24,000 destitute poor women and ensure successful graduation from poverty to non-poverty state.
UNDP	Urban Partnership for Poverty Reduction Project (UPPR)	2007-2015	USD 120 Million DFID/UNDP/GOB	30 Municipalities and City Corporations	LGED	Objectives: To improve the livelihoods and living conditions of 3 million urban poor and extremely poor people, especially women and girls. Three major outputs (1) Urban poor communities and groups are mobilised to create healthy and secure living environments, (2) Urban poor families acquire resources, knowledge and skills to increase their incomes and assets, (3) Pro-poor urban policy environment delivering benefits to poor people	Reduce extreme poverty and improve access to basic service	UPPR project has been implementing through a direct partnership agreement with respective Municipalities and City Corporations. Project also channels community grants through municipal authorities. Institutional strengthening and capacity building of municipalities and elected representatives are important activities in the project. Pro-poor policy changes in the municipal functions and practices also being taken place by project interventions.
UNDP	Promotion of	2005-	US\$ 50 M	Hill District	UNDP	To support the Government of		CHTDF focuses on

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
	Development and Confidence Building in the Chittagong Hill Tracts	Sep 2009 (project extension in process for the period of October 2009 – September 2013 expected to be approved by June 2009)	(project extension in process for a new total of US\$ 160 M) EC: US\$42.45M AusAid: US\$ 0.49M Norway: US\$1.6M USAID: US\$3.16M CIDA: US\$ 13.05M UNDP: US\$ 14.37 M	Councils & Regional Council	Rangamati Hill District Council, Bandarban Hill District Council, Khagrachari Hill District Council, CHT Regional Council,	Bangladesh, and to further enable the institutions of the CHT and local communities, to pursue accelerated and sustainable socio-economic development based on the principles of self-reliance and decentralized development in order to reduce poverty across the hill tracts region		<ul style="list-style-type: none"> ▪ Strengthening the capacity of local government institutions through their participation in planning and implementation of a multi-sectoral development project. ▪ Empowering remote communities in 16 Upazilas by formation of 2177 Para Development Committees and 600 Para Women's Development Groups, and providing micro-grants for community selected projects that are further supported by government technical services ▪ Developing and implementing in six Upazilas a model for community-based health services in remote areas, establishing six Mobile teams which serve 30 satellite clinics and supported a network of 250 trained Community Health Service Workers to detect and treat malaria, TB, ARI and other communicable

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
								<p>diseases and to provide maternal and child health care.</p> <ul style="list-style-type: none"> ▪ Extending education to remote communities in six Upazilas by supporting School Management Committees for school building or renovation, recruitment and training of 102 new teachers, and developing multilingual mother tongue education methods and materials. ▪ Strengthening the capacities of non-governmental organizations and community based organization partners, and developing and supporting networks among them. ▪ Raising gender awareness and empowering women within communities, and among government and NGO partners.
World Bank	Local Governance Support Project (LGSP)	July 2006 to June 2011	Total: 206 GOB: 78 WB: 111.5 UN/EC: 16	All 4488 Union Parishads	LGD	The Project has 5 objectives: 1) Increase financial resources available to UPs in an equitable manner 2) Improve public expenditure	Annex 4 Policy Matrix 18 on good governance	Promotes government and civil society partnerships

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
						<p>systems through participatory approaches 3) Enhance mechanisms for local accountability through institutional innovations 4) Develop and implement a coherent national strategy for local govt capacity development 5) Strengthen the policy analyses and research capacities at the LG division.</p> <p>Activities :</p> <p>Fiscal transfers to eligible LGs for local service delivery and incentives; direct mobilization of communities; support capacity development in the implementation of the block grant; support to conduct regular evaluations; support a Social Protection Pilot and Learning & Innovation activities</p>	and strategic goal #2 pertaining to promoting local governance and the key target of effective strengthening of union parishads and pourashavas	
World Bank	Municipal Services Project	July 1999 to June 2007	Total: 154 GOB: 15.4 WB: 138.6	Selected municipal corporations and secondary towns	LGED	<p>Objectives:</p> <p>1) Strengthen the institutional capacity of selected municipal corporations and secondary towns to plan, finance implement urban infrastructure services in an efficient and sustainable manner 2) Improve resource mobilization and establishment a municipal development fund 3) Reduce urban poverty and improve environmental conditions through financing of critical infrastructure and services.</p> <p>Activities:</p> <p>a) Support civil works- such as water supply, sanitation, roads and drainage, bus and truck terminals</p>	Annex 4 policy matrix 15 for ensuring safe water and sanitation for all and matrix 19 for environment and sustainable development which also includes improvement of solid water management.	The Municipal Development Fund (MDF) approach was evolved for a demand driven mechanism for enhancing sustainability.

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
						slum improvement solid waste management, markets; b) Provide equipment, such as solid waste equipment, transports, and c) technical assistance.		
World Bank	Dhaka Chittagong Urban Flood Mitigation and Sanitation Improvement Project	01/07 – 01/12	Total: 140.0 DP: 100.0	In the Dhaka and Chitta-gong metropolitan areas	Dhaka and Chittagong WASA	<p>Objective of component: To develop a strategy to provide a reliable, sustainable and affordable WSS service to meet the Millennium Development Goal as well as storm water drainage.</p> <p>Activities: For DWASA, the proposed project would focus mostly on:</p> <ul style="list-style-type: none"> ·The rehabilitation of existing sewers; ·The rehabilitation of existing drains and natural retention reservoirs and construction of storm water pumping stations; ·The improvement of WSS service is in selected slums; ·The updating of the waste water and storm water drainage master plans; and ·The assistance to DWASA performance improvement plan <p>For CWASA, the project would mostly support an update of the master plans and the preparation of necessary studies for future projects.</p>	Annex 4 policy matrix 10 for water resource development and management, protect flood, improve drainage and reduce vulnerability	The project will highlight slum sanitation
World Bank (IDA)	Rural Transport Improvement Project: RTIP	09/03 – 06/09	Total: 1.37	1622 Union Parishads	LGED	Objective of component: Provide assistance to Local Government Institutes (LGIs) to improve service delivery and governance.	Annex 4 policy matrix 18, promoting local governance	

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Development Partner	Program/Project	Duration	Budget Total: DP: US\$m	LGI Type: No:	Implementing Agency	Objectives/Activities	PRSP Policy Areas Addressed	Comments
1	2	3	4	5	6	7	8	9
	(RDP-26)					<p>Activities: Provide Basic Training and Intensive Training, on a pilot basis, to 1622 Union Parishad members and Chairpersons to strengthen the planning and local government outreach functions of LGED and to increase the role of local governments and communities in maintenance and development of rural infrastructure.</p>		
World Bank (WSP)	Horizontal Learning Program	2007 - ongoing	0.2 USD / year	Direct: 181 UPs Indirect: >2000 UPs	Union Parishads	UP led peer-to-peer learning initiative facilitated by the Government of Bangladesh and supported by various development partners. Under this program UPs connect with each other to identify, share and replicate the very best practices of their peers.		
World Bank (WSP)	Utility Performance Benchmarking Network	2005-ongoing	0.1 USD / year	18 water & sanitation utilities	Pourashavas and WASAs	Utility network identifying and measuring the operational aspects of water and sanitation service delivery with peer pourashavas and WASAs against international utility benchmarking standards (ref: World Bank IBNet).		

ANNEX XI: REVENUE COLLECTION BY DISTRICT AND UNION PARISHAD

Overall:

TOTAL REVENUE COLLECTION BY DISTRICT												Date: 22.11.2010	
Name of District	Category (LGSP/LIC)	Fiscal Year											
		2009-10		2008-09		2007-08		2006-07		2005-06			
		Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection		
Satira	TOTAL LGSP-LIC UPs	2200451	1359929	2006170	1063843	1775574	1166308	1636513	1036002	1729691	728436		
Habiganj	TOTAL LGSP-LIC UPs	8128022	2909072	5285616	2321360	5190643	2544439	5082571	2144255	5200274	1268251		
Barguna**	TOTAL LGSP-LIC UPs	5752385	3214797	5568079	2555644	3626255	1887156	3475896	1623098	0	0		
Narsingdi	TOTAL LGSP-LIC UPs	6,882,081	3,030,226	5,486,037	1,952,421	4,594,198	2,120,833	4,639,313	2,305,308	4,074,287	1,375,695		
Feni	TOTAL LGSP-LIC UPs	5,087,552	2,317,415	4,337,602	2,444,967	3,982,835	2,681,624	3,690,316	1,771,995	3,456,640	1,454,502		
Sirajganj*	TOTAL LGSP-LIC UPs	3,277,935	1,729,788	2,751,100	1,544,170	1,999,802	1,907,772	2,890,194	1,542,972	2,550,302	1,551,578		
	TOTAL LGSP-LIC UPs	31,328,426	14,561,227	25,434,604	11,682,405	21,349,507	12,308,132	21,614,803	10,423,631	17,011,194	6,378,462		
Satira	TOTAL LGSP UPs	2,686,786	491,937	2,616,163	779,176	2,337,269	2,832,346	2,038,407	361,926	1,662,657	451,337		
Habiganj	TOTAL LGSP UPs	2,162,500	503,297	1,873,430	199,498	1,949,036	299,004	1,953,306	366,258	1,727,399	316,174		
Barguna	TOTAL LGSP UPs	450,260	325,429	415,620	310,405	385,495	288,712	364,278	278,540				
Narsingdi	TOTAL LGSP UPs	510,000	22,425	364,276	276,540	320,000	25,013	310,000	18,903	310,000	35,779		
Feni	TOTAL LGSP UPs	228,993	40,594	253,193	131,315	215,893	203,907	204,659	165,637	206,425	89,725		
	TOTAL LGSP UPs	6,036,539	1,383,682	5,522,682	1,696,934	5,207,693	3,648,982	4,870,648	1,208,264	3,908,481	893,015		

* Actual revenue for two UPs have not yet been calculated for Sirajganj District
** Barguna District does not have data for 2005-2006 prior to inclusion in the project.

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District: Barguna				Date: 22/11/2010									
Sl	Name of Upazila	Name of UP	Category (LGSP/LIC)	Fiscal Year									
				2009-10		2008-09		2007-08		2006-07		2005-06	
				Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection
1	Amtoli	Pochakoralia	LGSP	450260	325429	415620	310405	385495	288712	364276	276540	Data are not available	
2	Amtoli	Atarogachia	LIC	1280646	575120	1122880	660805	913937	486734	818970	303899		
3	Bamna	Bamna Sadar	LIC	806043	449200	872319	427221	660445	450806	580403	283564		
4	Barguna Sadar	Courichanna	LIC	930000	908290	1209500	667355	541500	14050	457940	269813		
5	Barguna Sadar	Badarkhali	LIC	531336	8040	531336	8040	250000	241350	250000	47000		
6	Barguna Sadar	Balaitoli	LIC	630000	236662	525382	61265	512825	23325	485383	151557		
7	Barguna Sadar	Ailapatakata	LIC	200000	188630	200000	154255	120000	114395	118000	108085		
8	Betagi	Buramajumder	LIC	765025	407186	569367	196204	347508	264367	389500	232867		
9	Betagi	Betagi sadar	LIC	266335	186480	252795	127120	268840	216045	212000	143160		
10	Patharghata	Nachrapara	LIC	363000	255209	294500	253379	211200	76064	563700	83153		
				5752385	3214797	5568079	2550644	3826255	1887156	3475896	5623098		

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FENI DISTRICT				Date of Submission: 25/11/18									
Sl	Name of Upazila	Name of UP	Category (LGSP/LIC)	Fiscal Year									
				2005-10		2006-09		2007-08		2008-07		2009-06	
				Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection
1	Ponura	Mirjanagar	LIC	175000	108453	175000	139724	175000	124430	156275	120542	156275	65778
2		Othola	LIC	300000	162165	200000	174563	300000	245225	100000	80950	100000	80535
3		Bozmahmud	LIC	180000	82574	150000	66810	88145	150000	150000	67345	15000	49500
4	Fulgazi	Fulgazi	LIC	99965	52790	99965	58630	99965	58055	99965	62607	92640	58317
5		Munirhat	LIC	250000	61763	150000	62313	70000	86737	70000	47542	70000	52905
6		GM Hat	LIC	62000	57585	62000	56310	62000	54886	62000	28238	62000	29440
7	Sonagazi	Chandanda	LIC	270300	125075	270300	109626	190000	76046	190000	75325	190000	70385
8		Chondobesh	LIC	141210	107875	107025	78580	106595	26930	106595	48105	100925	41445
9		Sonagazi	LIC	212760	79285	212760	37266	212760	168341	138075	58927	138075	15399
10		Chornajolpur	LGSP/LIC	360000	112235	360000	130270	175000	93205	175000	97765	175000	76170
11		Minglakand	LGSP	180000	0	180000	0	100000	0	100000	0	100000	0
12	Bagekana	LGSP/LIC	300000	86595	300000	71465	123960	105515	123960	122431	123960	32470	
13	Chhagalnaiyan	Pathannagar	LIC	300000	84175	210000	211583	210000	55890	210000	30893	210000	20355
14		Subhajar	LIC	150000	93032	150000	46129	150000	170282	150000	74575	150000	93032
16	Dagordhuyyan	Sindurpur	LIC	683712	133826	544978	141695	555836	138553	512818	57980	416312	47856
17		Matubhuyyan	LIC	121030	182901	121030	126625	121030	107720	121030	86453	121030	60052
18		Yakubpur	LGSP/LIC	150000	131855	150000	137821	150000	120540	150000	103018	150000	110790
19	Sadar	Baligaon	LGSP/LIC	220500	34095	220500	16348	220500	46375	220500	50814	220500	61840
20		Fatipur	LIC	425000	375795	425000	413800	425000	341000	425000	291665	425000	259645
21		Lama	LIC	200000	136789	200000	67995	145000	100495	145000	73960	145000	53315
22		Fortmadnagar	LIC	200000	15555	200000	237905	150000	238400	150000	140848	150000	96403
23		Kajrbag	LIC	136075	72895	132044	62789	132044	83100	134100	74013	144923	79080
		TOTAL	LGSP/LIC	5,067,552	2,317,415	4,337,602	2,444,967	3,962,835	2,681,624	3,690,316	1,771,996	3,456,640	1,454,502
	Chhagalnaiyan	Redanagar	LGSP	226993	40594	253193	131315	215893	203907	204059	165637	206425	89725
		TOTAL	LGSP	226993	40594	253193	131315	215893	203907	204059	165637	206425	89725
SHANKAR, LIC-Feni													

Mid-Term Evaluation: Bangladesh LGSP-LIC
UNCDF/UNDP

District		: Habiganj											Date	22/11/2010
Sl	Name of Upazila	Name of UP	Category (LGSP/LIC)	Fiscal Year										
				2009-10		2008-09		2007-08		2006-07		2005-06		
				Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	
1	Madhabpur	Shahjahanpur	LIC	871042	312635	576795	79597	559725	202063	485209	104253	502567	52008	
2	Chunarughat	Paikpara	LIC	396689	325165	441078	305255	455510	405174	450540	261536	812844	212895	
3	Habiganj Sadar	Lukra	LIC	269788	136138	347741	97535	569699	340835	670697	299957	649603	10998	
4	Habiganj Sadar	Nurpur	LIC	214000	109394	172000	104174	194900	116848	191000	17770	191000	23084	
5	Bahubal	Vadeshwar	LIC	330000	317075	300000	280702	300000	258322	300000	256684	300000	256795	
6	Bahubal	Putjuri	LIC	244900	120373	132000	84580	127000	72717	124000	62002	120000	45370	
7	Lakhal	Murakuri	LIC	185442	101322	87000	85002	87000	84249	87000	69590	87000	40067	
8	Lakhal	Murak	LIC	442710	117778	346201	73385	325417	76270	329500	272320	257000	0	
9	Baniachang	O Purba Baniachang	LIC	610075	172617	613605	247562	550866	173058	528814	109628	457119	76068	
10	Nabiganj	Aushkandi	LIC	817935	240500	698550	199125	531785	222225	502370	165575	502370	91536	
11	Nabiganj	Gazraipur	LIC	280000	224850	250000	211870	170000	59609	150000	56580	200000	29210	
12	Chunarughat	Chunarughat	LIC	139441	111560	136941	93000	186441	50242	141441	67809	96271	70023	
13	Habiganj Sadar	Poil	LIC	654500	214258	574400	139408	568400	168869	538000	128741	451500	99593	
14	Chunarughat	Deorgach	LIC	330500	230832	216000	199750	216000	201460	216000	188830	216000	185369	
15	Nabiganj	Baushe	LIC	341000	174575	393305	120415	349000	112500	370000	63100	357000	75235	
		TOTAL LGSP-LIC UPs		6128022	2909072	5285616	2321360	5190843	2544439	5082571	2144355	5200274	1268251	
1	Chunarughat	Ubahata	LGSP	742500	173913	695930	59537	841500	98180	773500	120996	734870	75478	
2	Chunarughat	Minashi	LGSP	511000	162527	481500	32675	482500	84589	454500	102750	430500	154360	
3	Nabiganj	Kargaon	LGSP	110000	23845	110000	31700	110000	29852	110000	25027	110000	30013	
4	Ajmiriganj	Badalpur	LGSP	230000	31000	150000	9000	150000	17000	150000	10200	14000	0	
5	Madhabpur	Adasair	LGSP	569000	112012	436000	66586	365036	69383	485306	107285	436029	56023	
		TOTAL LGSP UPs		2162500	503297	1873430	199496	1949036	299004	1953306	366258	1727399	316174	

Mid-Term Evaluation: Bangladesh LGSP-LIC
UNCDF/UNDP

Distri : Narsingdi														Date:24/11/2010	
Sl	Name of Upazila	Name of UP	Category (LGSP/LIC)	Fiscal Year											
				2005-06		2006-07		2007-08		2008-09		2009-10			
				Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection		
1	Shibpur	Chakracha	LGSP	110000	9174	110000	0	120000	7767	120000	0	210000	0		
8	Polash	Charsindur	LGSP	200000	26605	200000	18903	200000	17246	200000	46065	300000	22425		
				310,000	35,779	310,000	18,903	320,000	25,013	320,000	46,065	510,000	22,425		
2	Shibpur	Dulalpur	LGSP(LIC 1st y)	200000	90881	315000	72026	200000	63629	315000	116716	200000	138899		
3	Shibpur	Jessore	LGSP(1st LIC)	100000	59062	120000	76488	150000	90290	150000	55130	200000	95800		
4	Shibpur	Joynagar	LIC (2009-2010)	212387	47075	212387	25907	212387	81962	212387	44575	312387	23769		
5	Polash	Gozaria	LIC (2008-2009)	105000	48780	116116	50325	117111	29000	150000	35535	245000	52865		
6	Polash	Jinardi	LIC (2009-2010)	225000	37415	225000	123915	240000	111385	300000	62985	300000	78250		
7	Polash	Danga	LIC (2007-2008)	350000	364397	355000	345300	355000	339000	355000	320547	655000	641900		
9	Belabo	Narayanpu	LIC (2007-2008)	160000	120664	195000	96372	280000	80594	345000	73437	365000	144788		
10	Belabo	Belabo	LIC (2007-2008)	180000	87800	180000	105053	215000	73535	215000	192292	215000	46445		
11	Belabo	Charuzilab	LGSP(1st LIC)	220000	13530	220000	21100	200000	29900	200000	36110	200000	59470		
12	Belabo	Patuli	LIC (2008-2009)	128000	11450	128000	10165	130500	54605	135000	36705	183560	43680		
13	Belabo	Binnabaid	LGSP(LIC 1st y)	101000	13442	98000	17886	97000	22065	99700	25632	100000	13031		
14	Rajpura	Morjal	LGSP(LIC 1st y)	110000	6615	110000	96325	150000	26800	500000	20470	629530	2800		
15	Rajpura	Rajpura	LGSP(LIC 1st y)	126400	0	52700	0	72700	0	52700	0	52700	0		
16	Rajpura	Polasholi	LIC (2008-2009)	170000	63655	200000	70955	200000	80438	200000	40000	210000	90000		
17	Sadar	nuralapur	LIC (2007-2008)	300000	142310	457910	764720	300000	572020	327980	253590	374380	620241		
18	Sadar	Palkarchar	LIC (2007-2008)	230000	58710	270000	92430	270000	123020	270000	77380	290000	128700		
19	Sadar	kanthalia	LIC (2009-2010)	250000	28875	472700	100410	483000	130520	542770	138830	852640	97220		
20	Sadar	karimpur	LIC (2009-2010)	230000	17721	230000	27182	230000	34465	400000	28044	400000	159030		
21	sadar	Chinishpur	LIC (2008-2009)	250000	81485	255000	121505	255000	111760	265000	191560	475000	212635		
22	Monohard	Ekdaria	LIC (2009-2010)	120000	11350	120000	13680	120000	12450	120000	99780	241374	108260		
23	Monohard	Gotashia	LGSP(LIC 1stY)	85500	28128	85500	29022	85500	50395	85500	14903	85500	13180		
24	Monohard	Borchapa	LGSP(LIC 1stY)	120000	15850	120000	13342	130000	0	130000	0	180000	166023		
25	Monohard	Sukundi	LGSP(LIC 1stY)	101000	26500	101000	31200	101000	43000	115000	88200	115000	93240		
				4,074,287	1,375,695	#####	2,305,306	#####	2,120,833	#####	1,952,421	#####	3,030,226		

Mid-Term Evaluation: Bangladesh LGSP-LIC
UNCDF/UNDP

District: Satkhira				Date: 22.11.2010									
Sl	Name of Upazila	Name of UP	Category (LGSP/LIC)	Fiscal Year									
				2009-10		2008-09		2007-08		2006-07		2005-06	
				Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection
1	Satkhira Sadar	Kushkhali	LGSP-LIC	100000	167240	100000	74978	100000	60804	100000	88741	100000	69900
2	Satkhira Sadar	Baikani	LGSP-LIC	207533	205392	200945	191325	125000	116287	100000	80568	125000	74235
3	Kalaroa	Chandanpur	LGSP-LIC	150000	50145	150000	57315	150000	52000	120000	43200	120000	60035
4	Kalaroa	Kerakata	LGSP-LIC	138000	32688	138000	95353	138000	63501	120000	24405	120000	27174
5	Assasuni	Sreeula	LGSP-LIC	175000	74056	175000	49605	150000	148361	150000	92173	120000	60000
6	Debhata	Debhata Sadar	LGSP-LIC	110000	110159	110000	86245	110000	109209	110000	123780	110000	58177
7	Debhata	Shakhipur	LGSP-LIC	75000	99028	75000	77919	75000	76403	75000	71594	75000	70413
8	Kaliganj	Bishnupur	LGSP-LIC	550000	32980	500000	113736	400000	13050	500000	11947	450000	20314
9	Shyamnagar	Khakhal	LGSP-LIC	195777	159631	160672	108895	139391	122719	175936	156545	90000	34064
10	Tala	Khallinagar	LGSP-LIC	149141	66250	96553	37412	118183	111630	115577	87394	149691	124114
11	Tala	Nagarhata	LGSP-LIC	200000	186020	150000	14720	120000	120000	120000	100655	120000	82200
12	Tala	Tala Sadar	LGSP-LIC	150000	156340	150000	156340	150000	172344	150000	154800	150000	47810
			TOTAL LGSP-LIC UPs	2200451	1339929	2006170	1063843	1775574	1166308	1836513	1036002	1729691	728436
13	Tala	Kumira	LGSP	335789	68681	320809	83020	351489	128680	287695	34206	237945	48250
14	Kalaroa	Koyla	LGSP	75000	10210	48000	157500	48000	7585	48000	6320	48000	2085
15	Assasuni	Dargapur	LGSP	590000	40000	560000	30000	490000	70000	440000	50000	365000	75000
16	Satkhira Sadar	Ghona	LGSP	520410	130560	466855	76445	402755	65900	365565	62810	300000	34435
17	Debhata	Parula	LGSP	123169	42540	231376	228607	163672	51896	126529	52857	97528	60999
18	Kaliganj	Kusholia	LGSP	375511	11695	322246	40379	249587	21025	156618	715	93684	30750
19	Shyamnagar	Munshigonj	LGSP	201917	41100	245877	43960	182756	41889	163000	85234	105000	46100
20	Shyamnagar	Kashimani	LGSP	465000	147151	421000	119265	449000	112755	451000	89784	415500	153718
			TOTAL LGSP UPs	2686796	491937	2616163	779176	2337269	2832346	2038407	381926	1662657	451337

Mid-Term Evaluation: Bangladesh LGSP-LIC
UNCDF/UNDP

Sirajgonj													Date	25/11/10
Name of Upazila	Name of UP	Category (LGSP/LIC)	Fiscal Year											
			2008-09		2009-10		2010-11		2011-12		2012-13			
			Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection	Target	Actual Collection		
Ullapara	Purnimaganj	LGSP & LIC	770,000	507,283	740,000	286,200	75,733	634,451	905,007	481,244	607,000	408,303		
Raigonj	Dhamainagar	Do	221,580	172,362	150,315	107,801	201,817	152,307	184,132	109,762	126,847	108,382		
Kazipur	Chaitadanga	Do	318,000	Not yet available	318,000	48,000	318,000	158,000	318,000	162,500	318,000	41,862		
Chowdhali	Khaskaula	Do	132,500	127,144	132,500	118,260	95,733	88,885	95,770	72,500	95,770	67,324		
Sirajgonj Sadar	Baghbail	Do	644,500	285,969	638,000	201,878	437,500	282,472	615,000	221,505	480,800	284,708		
Sahazadpur	Geradaha	Do	214,000	Not yet available	214,000	196,203	214,000	157,823	214,000	121,313	214,000	162,742		
Tarsah	Madhanagar	Do	356,500	262,440	356,500	334,228	356,500	316,083	356,500	298,381	356,500	291,120		
Raigonj	Dhubil	Do	385,843	188,880	201,785	187,233	201,785	88,361	201,785	95,483	201,785	166,382		
Kamakhandha	Jamtail	Do	325,000	195,000	100,000	84,775	100,000	6,100	100,000	324	100,000	31,825		
TOTAL		LGSP & LIC	3,277,835	1,729,788	2,751,100	1,546,170	1,999,802	1,907,772	2,890,198	1,542,872	2,660,302	1,551,578		



Government of the People's Republic of
Bangladesh

Ministry of Local Government, Rural Development and Co-operatives

Local Government Division

Local Government Support Programme (LGSP) / Learning and Innovation Component (LIC)

LOCAL GOVERNANCE SUPPORT PROJECT – LEARNING AND INNOVATION COMPONENT (LGSP-LIC)

FINAL EVALUATION REPORT

December 2011

The study is carried out with technical and financial support from:



EVALUATION TEAM

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ACRONYMS

ADP	Annual Development Plan
AWP	Annual Work Plan
BGCC	Block Grant Coordination Committee
DC	Deputy Commissioner
DDCC	District Development Coordination Committee
DDLG	Deputy Director Local Government
DF	District Facilitator
EBG	Expanded Block Grant
IDA	International Development Agency
LG	Local Government
LGD	Local Government Division
LGED	Local Government Engineering Department
LGSP	Local Governance Support Programme
LIC	Learning and Innovation Component (of the LGSP)
MC	Minimum Conditions
MMC	Measuring Minimum Conditions
NILG	National Institute of Local Government
NPD	National Project Director
PRS	Poverty Reduction Strategy
SBG	Supplementary Block Grant
SDC	Swiss Development Corporation
SLGDP	Sirajganj Local Governance Development Project
SSC	Scheme Supervision Committee
UCO	Upazila Cooperative Officer
UDCC	Upazila Development Coordination Committee
UFT	Union Facilitation Team
UNO	Upazila Nirbahi Officer
UP	Union Parishad
UPPC	Union Parishad Planning Committee
URT	Upazila Resources Team
UZP	Upazila Parishad
WDC	Ward Development Committee
WDF	Women Development Forum
ZP	Zilla Parishad

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The views expressed in this study are those of the authors and do not necessarily represent those of the Government of Bangladesh (GoB) and the Development Partners involved in the organization of the work.

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EXECUTIVE SUMMARY

The Learning and Innovation Component (LIC) of the Local Governance Support Project (LGSP) was conceived as an experiment of a “second generation” local governance reform in the pursuit of “improving Union Parishad (UP) capacity for effective, efficient and accountable delivery of pro-poor infrastructure and services”. To this end, the LIC attempted to *deepen* the innovations tested in its smaller predecessor Sirajganj project (SLGDP), and *widen* their scope, with the ultimate objective of *mainstreaming* some of the Project’s underlying principles and modalities into the regular local governance system in Bangladesh. Indeed, a key lesson from the Sirajganj pilot was that Union Parishads (UPs) can perform well and in an accountable manner in basic infrastructure delivery, and so be entrusted with increased discretionary programmable resources, provided they can access adequate guidance as to how manage and account for funds, and proper arrangements are in place to ensure local communities are given the opportunity to effectively participate in local resources planning and implementation processes.

Unlike the LGSP which has now become a nation-wide programme, LIC covered 388 UPs in six districts (Feni, Barguna, Sirajgonj, Sathkhira, Hobigonj and Narsinghdi), with a total budget of US\$ 18.118 million. The LIC Project was built around five (5) intended outputs:

- Increased financial resources made available to UPs in equitable and appropriate ways;
- Improved public expenditure systems for UPs are developed and used;
- Enhanced mechanisms for local accountability are established and implemented;
- More effective framework for capacity development support is established;
- Policy development is informed by lessons of project implementation.

The final evaluation of the Project was carried out during the period November -December 2011, with the objective of exploring the extent to which the LGSP-LIC has succeeded in generating the intended outputs and outcome. The four-member evaluation team made a thorough review of the available documents on LGSP and LIC, interviewed key stakeholders and visited several UPs in three LIC districts. Overall, the LGSP-LIC was a success.

The Project has done well in developing local capacities (UP and local communities to some extent) in the area of participatory assessment and prioritization of local development needs, transparent resources allocation, scheme design and implementation, and financial accountability. In particular, it has demonstrated that UPs can become more responsive to people's expectations, and more performing in the management of increased financial resources. There are clear indications that LIC-UPs perform better than non-LIC UPs in almost every public expenditure management respect.

The processes followed by UPs in the programming and implementation of local development schemes had positive impact on improving good governance practices – to the extent that participation and openness of processes advocated by LIC has :

- contributed to fostering community confidence in UP capacity to deliver local services, and demonstrated to national authorities that UPs can perform effectively when provided with the proper support and supervision;
- Enhanced accountability of local elected officials and staff to their constituency, and to some extent
- Improved relationship between the different tiers of government (central government, Zila, Upazila and UP).

The Project has been implemented in a cost-effective manner and has advocated cost-effective systems of delivering local services:

- External inputs have been limited to a few project temporary positions, mainly short-term social mobilization and technical facilitation (District Facilitators and Union Facilitation Teams); and many of these positions are Government-funded;
- No salary supplements was paid to civil servants; the only exception to this was the travel costs and equipment (motorcycles) of some government officials (UCOs) to enable them to provide field support to UPs.
- Use of expatriate personnel has been kept to minimum; the majority of technical support is delivered by national experts and consultants;
- The Project has encouraged through technical guidance the use of local labour-based construction techniques,

The Project has been effective in several areas of which the following are important:

- UPs and their different governance structures (UPPC, WDC, SSC) have performed their assigned tasks in a satisfactory manner, in particular, managing their financial resources responsively while involving as much as possible of the local communities in the identification and prioritization of local development initiatives as well as in their implementation;
- Labour-intensive investment lead to employment generation and local businesses development, and, to some extent, to poverty reduction;
- Increased participation and empowerment of local communities in the local decision-making processes (ward planning, budget and scheme supervision meetings in particular) have raised the level of transparency and accountability on the part of elected officials, and as a result, UPs regained the trust of the community;
- The Project had some impact on the development of the local government policy and legal framework to the extent that the (UP) Local Government Act - 2009 adopted some of the features and innovations of the LIC.

The Project has contributed to:

- Improving the image of UP and by the same token consolidated the local governance system through transparency, participation, open budget, and non partisan processes - compared to some other funding programmes which are seen as rather politicized;
- Promoting local democracy and building social capital at grassroots level (sense of togetherness and common interest) to the extent that local communities learnt how to work together and how to relate positively to their elected officials

The project is relevant and sustainable. Its Log frame (LF) is broadly coherent – with a wide range of activities across five result areas contributing to improving UP capacity for effective, efficient, equitable and accountable delivery of pro-poor infrastructure and services. Furthermore, it can be reasonably argued that the level of funding provided to UPs under the Project (EBG + SBG) can be sustained and scaled up nationwide; and, indeed, the “philosophy” and level of funding tested by the Project did contribute to shaping the fiscal transfers system adopted by the Government in the upcoming LGSP II (with financial contribution from the World Bank); hence, ensuring sustainability of the grant system and related institutions beyond the duration of the LGSP-LIC project itself is feasible.

In sum, the Project has succeeded, up to a certain extent, in achieving the core values of efficiency and effectiveness; while its outcomes are quite significant. The Project has remained relevant and is also sustainable. There are, however, certain issues that need to be addressed if it is to be replicated or rolled-out nation-wide. The Project did not have much impact on the mobilization of local resources; nor did it score well in promoting UP accountability. Also, capacity building has been defined in a restricted sense, focusing only on training, paying less attention to other important dimensions. Several recommendations have been made to make future similar projects more effective. These include: reforming the planning system, diversifying the schemes, redefining capacity building, encouraging partnership with NGOs and/or line agencies of government at the Union level, and redefining the role of different UP standing committees as watchdogs than as partners in implementation of programs.

Chapter 1 Introduction

There exists in rural Bangladesh a three-tier local government system, with a Zila Parishad(ZP) at the top and a Union Parishad (UP) at the bottom. The middle-tier called Upazila Parishad (UZP) is relatively new compared with the other two units which have existed for 140 years and performed a range of regulatory, promotional and developmental functions. The UP, however, has retained its democratic character for period of time a much longer than the ZP. Elections to the UP have been held more or less on a regular basis. But the ZP has remained under bureaucratic tutelage for more than fifty years. Notwithstanding political and popular demands, the task of democratising the ZP still remains problematic. The UZP has recently been democratised. In general, local government in Bangladesh remains disadvantaged in a number of respects. The central government has historically been reluctant to devolve important functions to local councils. Whatever (minor) functions have been transferred to different councils at different periods of time cannot be performed in any effective manner. Local councils face major difficulties in undertaking the functions entrusted with them for several reasons, of which lack of finance and personnel appears to be particularly important. These problems are more acute at the grassroots level than at other layers of local government. The UP remains more disadvantaged than the other two councils in both respects. In recent years, some attempts have been made to strengthen the financial base of the UP. With donor support and patronization of the central government, the UP is now emerging as an important unit of local government. Its capacity to provide services to the local people has improved to a large extent. The way this change has taken place and the implications of this change are discussed in this report.

UP in the Framework of Local Government System

The UP, as a unit of local government, predates similar bodies in many countries of the Third World. Historically, it has performed a range of functions that are considered to be very important. Many functions now performed by the central government, especially in the fields of health and education, were used to be undertaken by local councils – UP and ZP –during the British rule. Available evidence suggests that a certain percentage of local council expenditure was intended for providing such services. Tinker observes that although about one-half of the Union Boards’ resources had to be allocated to upkeep the village police, there was a growing residuum for other services. In 1937, the Union Boards’ expenditure included seven and -a-half lakhs on roads, three lakhs on drainage and conservancy, and ten lakhs on water supply (Tinker, 1967: 203). But the responsibility for these services has gradually been taken over by the higher levels of government. The health services were nationalized in the 1950s; while the responsibility for primary education was taken over by the central government in 1973. Although the Union Parishad Act passed by the Parliament in 2009 has empowered it to exercise some kind of supervision over central government officials providing health, education and other services at the local level, the UP lacks any formal responsibility for these services. It is now more concerned with providing regulatory, judicial and particularly development services. Infrastructure development now tops the list of functions performed by the UP. It has, however, witnessed more difficulties than the other units in diversifying its sources of income and activities.

In recent years, the functions of the UP have increased manifold. But it does not appear to have the capacity to shoulder the heavy responsibility vested on it mostly because of its inability to raise resources. Income from internal sources does not appear to be sufficient to defray even recurrent expenditure. One can notice a clear imbalance between what is expected of the UP and its ability to live up to that expectation. The UP thus heavily depends upon central government grants to carry out the responsibilities vested on it. The government also appears to be more responsive to demands for allowing the UP play a greater role in the delivery of services at the local level now than before. In fact, the government's commitment to improving local governance is set forth in the National Strategy for Accelerated Poverty Reduction (NSAPR). The NSAPR identifies local governance as one of eight priorities in the medium term strategic agenda for Bangladesh. Strengthening local governance through community participation and oversight has received important recognition in the government's PRSP. In fact, following the PRSP recommendations, the GOB has already taken important steps to strengthen local governance, particularly through the introduction of the UP Block Grant mechanism. The role of the UP in local governance is thus widely recognised.

Strengthening the UP: The LGSP-LIC Approach

One of the important problems confronting the UP is to identify an appropriate way of building its capacity to undertake functions assigned to it. As stated earlier, there is a clear imbalance between what is expected of the UP and its capacity to undertake it. In particular, lack of finance appears to be a stumbling block to the initiation of any major programs for development by the UP. The successive governments did not pay much attention to the strengthening of the UP. Whatever attempts they made in the past to strengthen local government lacked balance and remained ineffective. More importantly, such experiments caused injury to the UP in several ways. The experiments with UZP as well as Gram Sarakar (GS) weakened the UP, at least up to a certain extent. Following the introduction of the UZP in the 1980s, the UP lost most of its sources of revenue to it; while greater emphasis was given on GS than on the UP as it was alleged that the latter was dominated by Awami League (AL) people and the former (GS) was thus needed to counterbalance their influence. The initiation of the local governance support project (LGSP) by the government with loans from the WB in 2007 was an important attempt to help the UP improve its operational capacity. Under the Project, each UP is now given a certain amount as block grant which it can use at its discretion. To become eligible for the grant, the UP is required to fulfil certain conditions, as stated in the next chapter.

The LGSP has several components, one of which is the Learning and Innovation (LIC). This component, supported by UNDP, DANIDA and UNCDF, is intended to reward those UPs which have a good record of performance. Table 1 provides a summary account of the grants UPs have received during the LIC time span (2007-2011) in addition to LGSP grants and other grants (e.g., ADP). Comparatively speaking, the UP is now in a much stronger position at least financially than before. Grants made available from international sources have the potential to help the UP carry out many functions that it could not do in the past. These are also intended to encourage the UP to mobilize/collect more resources locally and perform their functions in a more participatory, accountable and transparent manner. The extent to which such grants have been used for the purposes for which they are intended and the consequences that have followed needs to be assessed. One of the main objectives of this

evaluation is to check the extent of LIC success (and/or failure) in realising the objectives for which it was introduced.

Table 1.1 Year Wise UP Allocation and Scheme at a Glance

Fiscal Year	No. of UP	Total Allocation	No. of Scheme Implemented	No. of Beneficiaries
2007-08 SBG	80	53221347	833	66266
2008-09 SBG	174	121800000	1896	3318676
2009-2010 SBG	264	184800000	2774	4893885
2010-11 SBG	362	253400000	3855	4086297
2010-11 PBG	117	23400000	297	218728
2011-12 TBG	362	54300000	587	985780
Total		690921347	10242	13569632

Evaluating the LGSP-LIC

Objectives

The LGSP-LIC is scheduled to close in December 2011. Despite serious efforts, this Component could not be started at due time. The entire Component has been in operation for about four years. Two sub-components – Performance Based Grant (PBG) and UP Revenue Mobilisation Pilot – were implemented during the last year (2011) **The main objective of the evaluation is to identify the extent to which the planned Project outputs have been achieved and the outcome ensured.** Specific objectives of the evaluation are:

- To examine the comparative performance of LGSP-LIC UPs and LGSP UPs and identify the factors that cause the difference.
- To identify the extent to which LGSP-LIC has helped the UP build its capacity to undertake its mandatory functions
- To explore the links between capacity building of the UP and the delivery of services at the local level.
- To check the extent to which the project has contributed to the empowerment of women and the marginalised section of the people.
- To explore the role of LGSP-LIC in the realisation of MDG goals in Bangladesh
- To identify and analyse the factors that have caused constraints to the implementation of LGSP-LIC and to suggest measures for their rectification
- To explore the sustainability of the project.

The Project intended to produce a number of outputs: increased resource transfers to the UP, improved public expenditure systems for local government, enhanced mechanism for accountability and effective framework for capacity development. Ideally these outputs should lead to the expected broad outcome: strengthening the role of the Union Parishad in the framework of local governance, among others, through improving its capacity to deliver services that are essential to achieve the MDGs. The evaluation also intends to explore the specific outcomes expected of the project that include, although not restricted to:

- Devolved performance-linked funding;

- Participatory planning;
- Infrastructure and service delivery;
- Enhanced accountability;
- Improved scope for central government oversight of UPs; and
- Innovative procedures for enhancing public participation, particularly women's participation.

Main Issues in Evaluation

Generally, the evaluation is meant to address five standard assessment areas: relevance/quality of design; efficiency; effectiveness; potential impact and sustainability. In view of the limited time available for the exercise, a 'light' approach has been used focusing on the following questions and sub-questions.

1. Efficiency of implementation

- How well has the project been managed (availability of inputs, timeliness and cost-effectiveness of implementation)?
- To what extent have project outputs been achieved?
- To what extent have key stakeholders been involved in project management?

2. Socio-economic aspects and MDGs

- How far the project has played role in socio-economic aspect of beneficiaries
- How far the project has played role in the MDGs

3. Capacity building

- How far the project has contributed in capacity building of the communities and local government bodies

4. Policy

- How far the project has contributed in policy reform?

5. Project's effectiveness

- How well has the project achieved its planned results (first level outcomes)?
- To what extent has the project objective been achieved/is likely to be achieved?
- To what extent have the project's cross-cutting objectives been achieved?

6. Project outcome

- To what extent is the project likely to contribute to its overall objective?
- To what extent has the project had/likely to have its outcome achieved?

7. Sustainability

- What is the financial/economic viability of the services/results that have been supported?
- What is the level of ownership of the project by target groups; how is this likely to change once the project is over?
- To what extent are organizational or institutional changes introduced by the project likely to remain in place?

- What is the level of policy support provided; to what extent are project results likely to be scaled up at government level.

Methodology

The evaluation is limited by the amount of time available to the evaluation team and the extent of baseline data available to be able to evaluate change. The limitation on the amount of time available has been offset in two ways:

- **Metaevaluation:** Use of prior evaluations, reviews and studies as a means of covering districts and issues that could not be directly assessed by the evaluation team; and
- **Sampling:** Careful sampling (see section on sampling below) to ensure that different conditions and situations are sufficiently covered to provide a range if not a cross-section of the issues faced during implementation.

Key Methods

The evaluation has used both *meta evaluation* and *direct evaluation* techniques and is based on interviews, a thorough review of data, a review of programme documentation including progress reports and evaluations, regular monitoring data, source data collected in a recent survey of LGSP-LIC stakeholders, a review of the outputs of the project itself and on a review of reports, national budgets, plans and legislation pertaining to governance reform and the transformation of local governance in Bangladesh as a whole.

The following are the main elements of the methodology used:

Review of documentation

- The Team has reviewed all relevant evaluations or reviews of local governance programmes in Bangladesh conducted by third parties, as well as all monitoring products of the project including progress reports and reports of review meetings.
- The Team has reviewed all documents produced as outputs of the project including any manuals, systems design work and concept papers prepared in connection with the design and implementation of the project.
- In order to assess UNDP's own strategic positioning, the Team has reviewed a range of political and development reports, Economic Sector Reports of the World Bank, thematic sector reports, relevant legislation and national plans, strategy papers prepared by the UNDP office, as well as select articles in the media.
- The Team has reviewed relevant programme or project evaluations, sectoral and thematic evaluations that pertain to UN programmes drawing on their analysis as well as data sets.

Semi-Structured stakeholder group or individual interviews

Individual and group Interviews of government official in the Ministry of Local Government, Rural Development and Cooperatives, Relevant officials and committees at the Zila, Upazila

and Union Parishad levels including those responsible for planning, the management of funds, procurement and the management of service delivery.

- Meetings with the National Project Director and other project personnel. Interviews with UNCDF and UNDP Country Office staff and other partners (World Bank, DANIDA, EC).
- Group interviews with direct beneficiaries and end users of services supplied by Union Parishads that have received support from LGSP-LIC. When interviewing beneficiaries, the evaluation team tried to ensure the inclusion of women in order to be able to better assess gender dynamics and their impact on project effectiveness and results. Wherever possible, separate group interviews were conducted for men and women at the Union Parishad level.

Field visit

The Team visited a sample of project sites in 3 of the 6 districts targeted under the LGSP-LIC. This included Feni, Satkhira and Habiganj. From each district 2 sample Union Parishads were selected (1 strong and 1 weak performer based on 2007 base line survey rankings), which meant in total 6 LIC Union Parishads were selected. For the proposed field visits, out of the 6 LIC UPs 3 were randomly selected from among the UPs which obtained high performance scores in the baseline survey on LIC UPs conducted in 2007 and which were in receipt of all types of grants from the UNDP/UNCDF sources. The remaining 3 LIC Unions were selected randomly again from the 3 LIC districts- which obtained relatively low scores in the said survey. In addition, 3 Non-LIC Union Parishads were also selected from 3 Non-LIC districts closer to the LIC intervention areas. The Non-LIC districts included Brahmanbaria, Moulvibazar and Khulna. Field visit to non-LIC union parishads was expected to help the evaluation team members compare the actual impact of the LIC project interventions on different indicators.

Principal Evaluation Outputs

The evaluation team produced the following:

1. *A brief inception report* stating the scope, objective development hypothesis underlying the project, outlining a methodology for the evaluation itself and defining an overall schedule, resources required, a division of responsibility and the main elements of the instruments to be used in implementation of the evaluation.
2. *A draft of the principal findings of the evaluation* for presentation at a debriefing meeting at the end of the team's work to UNCDF/UNDP and the representatives of the Government and project staff most directly responsible for management of the LGSP-LIC project.
3. *A PowerPoint presentation* for the debriefing in Dhaka covering steps covered in the evaluation, the evaluation methodology followed, principal findings and tentative recommendations (the session could not be held because of time constraint/Christmas).
4. *An evaluation report* that presents the evaluative evidence collected, analysis, findings and recommendations in a usable form for management purposes.
5. *An executive summary* of the evaluation report that highlights findings, recommendations and lessons learned and that can be readily used for management purposes by UNCDF and its partners involved with the LGSP.

Evaluation Team

The evaluation team was composed three national consultants and one international consultant. Two of the national consultants worked as members of the joint mid-term evaluation team. One of them also worked as a member of the team evaluating the working of the LGSP-LIC Performance-Based Grant System (PBGS) in May 2011. Another national consultant had the experience of working as the team leader of an earlier UNDP-commissioned study on the working of the Upazila Parishad (UZP) in Bangladesh. The international consultant has had a long experience of working in this field. Focal point responsibilities of the members of the team were as follows:

Table 1.2 Division of Responsibilities Among Team Members

Team Member	Focus
Salma Akhter	Participation in planning and decision-making, social impact and gender aspects of the project
Mobasser Monem	Efficiency and effectiveness of the programme at the local level, Catalytic effect and linkages to broader governance
Mohamed El Mensi	Resource mobilisation, resource use and resource constraint, co-ordination between central and local approaches to resource mobilization and their implications
Nizam Ahmed	Overall approach, content of the report. Relevance and trends in governance policy and their implications for LGSP-LIC. Drawing the work of the team together into coherent outputs

Chapter 2 Building UP Capacity: The LIC Approach

That the UP lacks the capacity to undertake functions entrusted with it has long been recognized. Such ‘incapacity’ has mostly been defined in a financial sense, referring to the lack of funding available to the UP to carry out its functions. The most commonly used approach has thus been to make arrangements for providing financial support to UPs as a means to improving its capacity. Aiding the UP is, however, not a new practice; it has been in vogue for a long period of time, in fact, since its inception. However, strengthening the financial base may be considered as a necessary but not a sufficient condition of capacity building. Capacity building is a broad term; it encompasses many things and certainly much more than grant transfer and training. It includes the following:

- Human resource development, the process of equipping individuals with the understanding, skills and access to information, knowledge and training that enables them to perform effectively.
- Organizational development, the elaboration of management structures, processes and procedures, not only within the organization but also the management of relationships between the different organizations and sectors (public, private and community).
- Institutional and legal framework development, making legal and regulatory changes to enable organizations, institutions and agencies at all levels and in all sectors to enhance their capacities (Global Development Research Centre <www.GDRC.org>)

Capacity building involves activities that are aimed at enabling the UP to perform the functions allocated to it in terms of the relevant legislation. Examples of such activities include: enabling legislation, personnel to implement legislation, installation of operational systems (which include human resource, finance, project management and control), operating tools and equipment, and funding. These activities are inter-related; absence of one may cause problems for others. Among the activities, legislation appears to have unequal importance. Legislation provides the framework for UP work specifying, among others, what it can(not) do, the sources from which it can raise revenue, people it can employ, the process it has to follow to get its works done including financial matters, and the nature of relations it can establish and maintain with other authorities. The Constitution of Bangladesh requires the Parliament to enact laws providing for establishing elected governments at different administrative units and granting them powers to undertake functions relating to public service and economic development and to impose taxes for local purposes. The constitutional provisions have mostly been honoured in the breach. The district, which the Constitution itself recognised as an administrative unit in 1972, does not have any elected council. Nor does the elected council at the upazila level have much to do now because of several restrictions (including political ones) imposed on its permissive powers.

The UP, as stated earlier, remains an exception. Elections to the UP have been held more or less in a regular manner. However, the successive UP laws can be considered as restrictive in character; these have placed some important limitations on the permissive powers of the UP. Many important functions that local councils in other countries perform have still been retained by the central government. As a result, the role of the UP remains confined to performing functions that are relatively of less importance in nature. For building the capacity of the UP, there is a need for redefining the role and functions of the UP. But rather than

making any major change in the law granting it more sources of power and functions, the government intervention has led to an increase in dependence of the UP on the government.

Aiding Local Government Capacity Building: The Conventional Approach

Aiding the UP to build up its capacity, especially in terms of channelling funds by other levels of government, is almost as old as the institution itself. There has, however, been a major increase in the share of grants in the overall income pattern of the UP in recent years. Grants, as a percentage of total income of the UP, increased from 7.2 in 1975-76 to 30.1 in 1976-77. It remained almost steady at that level between 1977 and 1980, but decreased in the 1980s. The share of grants increased again in the 1990s and the trend has continued until now. Traditionally the UP has received three kinds of grants – general purpose grants, specific grants and block development grants (Siddiqui, 2005). General purpose grants are of three types – developmental, compensatory and budget deficit. On the other hand, the specific grants are given to the UP under three separate but similar types of programmes – the Rural Works Programme (RWP), Food for Works Programme (FFWP) and Test Relief Programme (TRP). In 2004 the Government introduced discretionary Basic Block Grants (BBG) for UPs on a flat rate basis used mostly for small infrastructure investment and maintenance in the core local public goods sectors (roads, education, sanitation, water and the like).

Besides BBG, Annual Development program (ADP) allocations are also being provided to UPs. ADP allocations are distributed through Upazila Parishad (UZP). Apportionment of ADP block grant is 90% for general and 10% for operational performance. General grant allocation is based on: population 50%, land area 30% and backwardness 20%. Several drawbacks characterise the existing grant system. Besides discouraging local ownership, the grant system appears to be discriminatory, providing unequal benefits to different groups of people. Those who are weak and disadvantaged including women receive less benefit than those who have traditionally exercised power. Those responsible for administering grants often remain unaccountable for much of what they do. Moreover, the extent to which aid can help the UP build its capacity to undertake the functions assigned to it remains unexplored.

Conventionally, grants to the UP were made through other organizations; there was no direct link between the UP and the central government. During the British period and the early years of the Pakistani rule, central grants were routed to the UP through the ZP (called District Board). However, since the introduction of the Thana Parishad, later renamed UZP, in the 1960s, central grants are processed to the UP through the TP/ UZP. Under the existing arrangement, a certain amount of ADP grant is made available to the UZP for distribution among the constituent units (UPs) according to a formula. But experience shows that such grants are often given to different UPs equally in violation of rules made by the central government mostly to discourage resentment and conflict. The centre has traditionally remained loath to decentralize fiscal powers to local government, particularly to the UP. Attempts at allowing the UP to diversify its sources of income have witnessed widespread political and bureaucratic resistance. As an example, reference can be made to a bill introduced in the fifth Parliament in 1993 providing for strengthening the financial base of the UP by granting it more sources of income.

The Local Government (Union Parishad) (Amendment) Bill, 1993, introduced in the Parliament on 10 February 1993, provided, among others, for empowering the UP to raise income from 14 sources. Until then, the UP had only five sources of income. The bill also

provided for abolishing the UP if it failed to raise 75% of the assessed taxes (*Daily Star*, 5 July 1993). The opposition lawmakers as well as government backbenchers seriously objected to the new provisions, arguing that these would overburden the poor farmers and peasants in the village. They threatened to defeat the bill if their demands for withdrawing the provisions for more sources of tax and dissolution of the UP were not accepted. Faced with serious opposition, the government amended the bill, withdrawing the provisions for granting more sources of income to the UP. The UP also politically appears to be in a very weak position to resist the central government making major changes in its formal scope of power. In other words, it often remains vulnerable to central intervention. The UP could not raise any objection to the decision of the centre to withdraw in the early 1980s all except five sources of income that were granted to it by earlier legislation.

It is, however, not right to always make the centre the scapegoat for the poverty of the UP; the latter also has to accept some responsibility for it. Research has revealed that the UP often fails to make the best use of whatever limited sources it has been granted to raise resources. Not only does it remain reluctant to assess tax and fees in a rational manner; whatever resources are assessed often remain uncollected or collected in a half-hearted manner. It thus prefers central grant to local resources in financing development expenditure. In general, the centre seeks to keep the formal responsibilities of local councillors within a limited bound and remains loath to empower them with adequate authority to raise sufficient resources. Paradoxically, local councillors also do not seriously bargain with the centre for additional sources which can ensure a regular flow of income. Rather they seem to be satisfied when central grants are made available to them. Both the centre and local councillors find this arrangement as politically beneficial. The latter can avoid incurring the possible risk of becoming unpopular through taxing their own support base; while the centre can minimise the possible danger of letting alternative sources of power develop independent of its control and influence.

New Approaches to Aiding UP (LGSP)

In recent years, there has been an upsurge in national and international interest to strengthen the UP. Besides the government, many donors have also expressed interest and in fact provided funds for direct transfer to the UP. The decision to have some kind of direct donor-government-UP interaction did not take place all on a sudden; it followed six years of experiment in Sirajgonj where different ideas and options related to the strengthening of the UP with outside support were field tested, and the results turned out to be quite encouraging. Part of the Sirajgonj model has already been replicated throughout the country under the LGSP, while other innovative components were further pursued under the LIC. Encouraged by the successes of the Sirajgonj experiment, the government initiated a new policy aimed at strengthening the UP – providing direct support to the UPs, provided they satisfy a number of conditions. In July 2006 the government introduced a nation-wide program called local governance support project (LGSP), with funds start flowing from 2007 to ensure larger fiscal transfers to the UP. LGSP-LIC is one of the components of the LGSP and it aims to put predictable block grants into the hands of UPs, alongside a clear set of rules and conditions to ensure that these fiscal resources are used responsively, in the interests of local communities and development priorities as found out in the context of the LGSP-LIC (Steffensen, Monem and Hossain, 2011). World Bank/IDA agreed to provide \$111.5 million to support the project, while the government contributed \$78.4 million. It is a nationally-owned and

executed project, although a substantial percentage of the expenditure has been provided by the Development Partners.

Initially, the project activities remained confined to a number of UPs in a number of districts. But now LGSP has been rolled out nation-wide, with almost all UPs now claiming a stake in LGSP grant transfer. The grant is conditional. Those UPs which want to have a share of the grant have to satisfy a number of criteria (Table 1). LGSP has five components: fiscal transfer, institutionalising local accountability, capacity building, performance review and policy development, and social protection pilot. A sixth component – Learning and Innovation Component (LIC) – was later added, which subsequently has become important in its own right. Separate allocations were earmarked for each component, with the fiscal transfers component receiving the maximum IDA allocation (\$87.1 million), and the social protection pilot, the minimum (\$2.1 million). The IDA allocations were distributed to the other three components in the following manner: institutionalising local accountability (\$3.2 million), capacity building (\$16.4 million), and performance review and policy development (42.7 million).

Among the components, fiscal transfer has been considered to be more successful than the others. Expanded block grants (EBG) allocations have been made on the basis of a minimum “floor” and the population size of UPs, a formula that is considerably more equitable than the “equal shares” allocations made by regular ADP allocations (Report of the MTR Mission: 7). The primary objective of fiscal transfers to UPs is to enhance their infrastructure and service delivery potential and to create greater fiscal incentives for citizen engagement in local governance. To a large extent the project has been able to realise these objectives. One major problem is that often transfers are made late, thereby causing uncertainty in the planning and budgeting of the UP. Unlike the past when UPs used to do most of what was expected of it in relative secrecy, LGSP UPs score better than their non-LGSP counterparts in ensuring fiscal discipline. Those who complied with the requirement of auditing the accounts of the UP by a chartered accountancy firm, and thereby becoming eligible for grants, have increased in number.

No major progress, however, has so far been made with the implementation of the other components, particularly the social protection pilot, and performance review and policy development. The Learning and Innovation Component (LIC), however, appears to be an exception. LIC UPs are eligible for several other grants such as supplementary block grant (SBG), performance-based grant (PBG) and finally transition block grant (TBG). While almost all UPs are now eligible to claim a share of the LGSP grant, only the LIC UPs, which are located in six districts, can claim a share of the other three types of grants. Separate eligibility criteria have been prescribed for those seeking to have access to these grants. As table 2.1 shows, less than one-third of the LIC UPs has received performance-based grants.

Table 2.1 Types of LGSP-LIC Grant

Name of Grant	Name of program	Grant Amount (US\$)	Criteria of Eligibility	No. of union covered/Year Started
Extended Block Grant (EBG)	LGSP (2006-2011)	189, 900, 000	<p>No adverse or disclaimer audit opinion Existence of an official UP bank account Post of UP Secretary filled Open budget meeting Letter of commitment from UPs interested in joining LGSP Participatory planning and budgetary process</p> <p>Compliance Criteria for Continued Access</p> <p>Hold quarterly community meetings for participatory planning and budgetary purposes</p> <p>Publicity and regularly disclose UP level and scheme specific information and display this on UP notice boards</p> <p>Submit quarterly reports to community, UNO and LGD according to approved formats</p> <p>Compliance with environmental and social management framework requirements</p> <p>Compliance with the procurement regulations of LGSP and guidelines</p>	Almost all (2007-2008)
Supplementary Block Grant (SBG)	LGSP-LIC (2007-2011)	18, 118, 000	<p>All criteria stated above</p> <p>Additional Criteria (Minimum Conditions)</p> <p>MC1) Regular opening of UP office</p> <p>MC2) Village Court operational</p>	362 (6 districts) (2007-2008)

			<p>MC3) All standing committees formed</p> <p>MC4) UP's participation in BGCC meetings</p> <p>MC5) Regular monthly meetings of UPs held</p> <p>MC6) Women participation in UP regular monthly meetings</p> <p>MC7) Tax assessment done</p>	
Performance-Based Grant System (PBGS)	LGSP-LIC (2007-2011)	312, 000	<p>All criteria stated above</p> <p>Additional Criteria (Performance Measures)</p> <p>PM1) Functioning of Standing Committees in the previous FY. Following all five standing committees are functional and minutes of meetings are available (max score=15)</p> <p>PM2) Functioning of Ward Level Committees (max score=5)</p> <p>PM3) Women members role in UP activity and assisting rural women (max score=16)</p> <p>PM4) % of Tax rate against the tax assessment applied in the previous FY (max score=10)</p> <p>PM5) % of Tax collection in the previous FY against the tax assessment (max score=20)</p> <p>PM6) Planning and Budgeting (max score=12)</p> <p>PM7) Contribution to development budget by own source revenue in the</p>	117 (6 districts) (2010-2011)

				previous FY (max score=9)	
				PM8) Transparency and Accountability (max score=9)	
				PM9) Office Management and update of Records (max score=4)	
Transition Block Grant (TBG)	LGSP-LIC (2007-2011)	724, 000	Un-spent money on account of foreign consultants' fees		362 (2011-12)
UP Revenue Mobilisation Pilot	LGSP-LIC 2011	Technical Assistance			30 (6 districts) (2011-12)

LGSP-LIC Approach to Capacity Building

Origin and Development

The Learning-Innovation was included as a component of LGSP in 2007, one year after the latter was initiated. Several donors fund the component. Of the total \$18.1 million earmarked for the component, EU is to provide \$11.8 million, UNCDF \$2.5 million, DANIDA \$2 million and UNDP \$1.8 million. The main objective of the new component is to promote poverty reduction and MDG achievement through building the basic service delivery capacities of the UP. The key objectives of the LGSP-LIC are:

- To ensure transparent and accountable UPs to contribute to poverty reduction in Bangladesh.
- To deliver sustainable basic infrastructure and socio-economic services by the UPs, which would meet the local priorities and contribute to poverty alleviation and socio-economic development.
- To build capacities of elected bodies in terms of planning, financing and managing service delivery in response to local needs.
- To ensure that the voices of the poor and the marginalized, especially women, are heard and given due consideration in resource allocation and project implementation.
- Apply lessons on innovative ways in planning, financing and managing services to the national LGSP and policy development.

In short, the key objectives of the LGSP-LIC are to deepen and broaden new approaches to local government reform developed and piloted under SLGDP. The program is still at the experimental stage, implemented in 362 UPs in six districts – Sathkhira, Hobigonj, Borguna, Feni, Narsingdi and Sirajgonj. The strategy of the project is based on the following:

- Demonstration of the viability of administering a performance-based, block grant system at the Union Parishad level in a participatory way.
- Testing the absorptive capacity of the mechanisms at the UP level.

- Application of a participatory, process-oriented approach to planning project identification and prioritization, supervision of implementation and budget management.
- Maximising national and local ownership and maximising sustainability through the strategic use of inputs that external to those of the Government of Bangladesh, the Union Parishad and the community itself; and
- The empowerment of women and the targeting of the poor along with the implementation of pro-poor activities (that can also contribute the Bangladesh's fulfillment of its obligations in the achievement of the MDG (MTR: 2010).

As stated earlier, those considered to be eligible to claim grants under LGSP-LIC have to satisfy a number of new conditions in addition to those needed to qualify for EBG. LIC UPs are eligible to receive all sorts of grants in comparison with non-LICs which receive only EBG. However, unlike the latter which can be found throughout the country, the LIC activities are confined to UPs in a selected number of districts (six). The decision on the replicability of the LIC experiment beyond the experimental districts has not yet been made. It will depend, at least up to a certain level, on the extent of the success of the experiments now being carried out in selected districts.

Expected Outputs and Outcomes

The LGSP-LIC is required to generate five outputs:

- Output 1: Increased financial resources are made available to UPs in equitable and appropriate ways.
- Output 2: Improved public expenditure system for local government institutions are developed and used.
- Output 3: Enhanced mechanism for local accountability are established and implemented.
- Output 4: More effective framework for capacity development support is established.
- Output 5: Policy development is informed by lessons of programme implementation.

Activities needed to achieve the outputs are many and varied as the following table shows.

Table 2.2 Output and Activities

Output	Activities*	Input
Output 1 Increased financial resources are made available to UPs in equitable and appropriate ways. <i>Indicators</i> <ul style="list-style-type: none"> • Predictable formula based allocation mechanism developed • Increased discretionary funding • Timely flow of funds 	<ul style="list-style-type: none"> • Draft guidelines (formula, access, conditions, performance measures, menus of investments, co-funding requirements etc) • Performance assessment arrangements established and assessment teams trained • Performance assessments undertaken in a satisfactory and timely manner each year for all UPs in the 6 Districts • UPs qualify for performance funding in increasing numbers from year to year: 40%-60%- 	<ul style="list-style-type: none"> • TA • UP performance-based Block grant • Budget support funds

<ul style="list-style-type: none"> • Procedures for incentivising Union Parishads performance • Improvement institutionalised • No. of schemes implemented by UPs Improved revenue collection by UPs 	<p>75%-85%</p> <ul style="list-style-type: none"> • GoB adopts the performance-based methodology for UP funding nationwide • Other funding agencies cost-share and/or replicate the performance-based funding approach • Average annual increase of own revenue collection in all UPs 25% 	
<p>Output 2</p> <p>Improved public expenditure systems for local government institutions (UPs) are developed and used</p> <p><i>Indicators</i></p> <ul style="list-style-type: none"> • UP prepared pro poor and gender sensitive 5 year Development Plans and annual action plans and budgets • Special budgetary allocation for addressing vulnerability and gender • Improved procurement practices • Effective Scheme implementation system in place • UDCCs technically coordinate UP plans • UP budgetary provision for O&M • Timely technical support from Upazila (LGED) for technical design and certification of works • Upazila (UCO) giving support for community mobilisation at Union and ward levels 	<ul style="list-style-type: none"> • Develop Planning & Implementation guidelines • Recruit and train UFTs • Modify procurement guidelines • Train and support UPs on tendering procedures and tender evaluation process • Train UFTs on construction techniques & works monitoring • Support UFT roll out of technical training for WDCs & SSCs • Review experiences of DDLG and UNOs in undertaking UP supervision, mentoring and internal audit – • Develop manual and training materials for DDLG and UNO support to UPs • Study bottleneck in LGED support to UPs – introduce procedures for UP reimbursement of LGED expenses • Train UCOs in participatory planning and scheme implementation procedures. • Support regular mentoring/oversight of UPs by DDLGs • Support regular oversight/mentoring of UPs by UCO 	<ul style="list-style-type: none"> • Local TA • Workshops and training sessions • UFT ToT • TA for UFTs at community level • Training on tendering to UPs, • UFT training & roll-out of technical training on construction techniques to WDCs and SSCs • Vehicle and equipment for 6 DDLGs • Motorbike for UCOs in six districts
<p>Output 3</p> <p>Enhanced mechanisms for local accountability are established and implemented</p> <p><i>Indicators</i></p> <ul style="list-style-type: none"> • Public dissemination of UP budgets, accounts and scheme implementation arrangements • Regular feedback to Ward constituents by UP members • UP standing committees interact on a regular basis with line departments • Upazila level fora for UP 	<ul style="list-style-type: none"> • Support IEC campaigns • Train UPs in communications skills • Train UP standing committees on roles and responsibilities • Support UP Chairmen's' Fora at Upazila level • Support UP women members' fora 	<ul style="list-style-type: none"> • Public awareness campaigns, posters, notice boards, publicity & leaflets • Training and workshop facilitation

<p>Chairmen monitor service delivery</p> <ul style="list-style-type: none"> UP women members' fora interact with line departments on service delivery issues 		
<p>Output 4</p> <p>More effective framework for capacity development support is established</p> <p><i>Indicators</i></p> <ul style="list-style-type: none"> Strategy for LG Training Strategy for NILG capacity enhancement Standard training modules UPs planning and financing own capacity building Training evaluations 	<ul style="list-style-type: none"> Provide consultancy for development of strategy for gradual introduction of demand led training in UPs Organise consultancy and workshop for development of strategic plan for NILG, Conduct TNA of NILG and DLG staff for improved skills in HRD management in LGS, Train NILG/LGD staff Organise study tours and peer-learning activities 	<ul style="list-style-type: none"> International and national TA Workshops Training Institutional linkages/ academic link for NILG and DLG staff & exchange visits Strategic study tour/s
<p>Output 5</p> <p>Policy development is informed by lessons of programme implementation.</p> <p><i>Indicators</i></p> <ul style="list-style-type: none"> Guidelines developed and applied in selected UP Proposal for refine policy, legal, and regulatory framework prepared. Guideline and manual developed and in use 	<ul style="list-style-type: none"> Develop research methodology and work plan Conduct field research based on quantitative & qualitative analysis Support LGD/MIE policy analysis functions Monitor LGSP implementation Organise national and local-level workshops Organise study tours Backstopping support 	<ul style="list-style-type: none"> International and local TA for policy advice and policy research Field researchers & research costs Policy seminars and meetings Study Tours

- Ministry-identified activities

However, the extent to which outputs can actually be achieved depends on several factors, the most important being the institutional and organisational arrangement adopted to implement the component and the way(s) activities of different actors and organisations are coordinated. As stated below, the Project has apparently adopted a deliberate approach to creating as many constituencies as possible with a view to ensuring that no single actor can play a dominant role. This type of approach has its own strengths as well as weaknesses. These will be explored in a subsequent section. The next section turns to identifying the implementation structure of the project.

Institutional Framework for Implementation

An elaborate institutional arrangement has been prescribed for implementing the LGSP-LIC. Several mechanisms have been evolved to ensure that power is dispersed and not centralised in a single organisation or person. It now appears that the project aims at increasing the

number of stakeholders to encourage competition as well as to ensure some kind of check and balance within the system. Several actors are involved in the planning, implementation and oversight LIC. Efforts have been made to avoid duplication in membership. No one is allowed to have membership in more than one forum. This is intended to restrict undue influence by any single individual or a group of individuals. The responsibility for policy guidance, planning, implementation and evaluation of the Project rests with a number of organisations. The primary responsibility for providing policy guidance and leadership of the project rests with a Project Steering Committee headed by the Secretary of the LGD. The Project Steering Committee is responsible for program management, observation and guidance at the national level and covers both the LGSP-LIC and the rest of the LGSP. A National Project Director (NPD), enjoying the rank of and Additional Secretary, looks after the day-to-day activity of the project. The institutional mechanism used to implement the Component involves the following:

Block Grant Coordination Committee (BGCC): A BGCC at the Upazila level coordinates project activities avoiding overlap and duplication, and provides overall guidance. The UNO chairs the BGCC composed of all UP chairmen of the Upazila, female members of the reserved seat, and members of Upazila resource team. A UP member selected at the first BGCC meeting acts as the member-secretary. The BGCC is supposed to meet at least once a quarter. The Chairman may call special meetings. It was not, however, clear to the Evaluation Team how often the BGCC meets in practice. The Secretary of the BGCC takes meeting minutes which have to be preserved at the UNO office and are posted to the LGD, DC and all committee members within 15 days.

The main responsibilities of BGCC are:

- To give guidance and advice for utilizing the EBG and SBG after evaluation;
- To redress grievance with regard to complaints on use of EBG and SBG and UP administration;
- To coordinate all development activities of the UPs;
- To take legal recourse with regard to corruption and irregularities;
- To discuss draft development plans and quality of the budget and send the budget to the DC for approval;
- To create opportunities for joint initiative of the UPs;
- To ensure technical support from the concerned departments for the development plans of UPs and estimates;
- To discuss and coordinate LGSP-LIC activities such as capacity building and audit;
- To facilitate peer exchange and learning.

Ward Development Committee (WDC): The WDC representatives are selected by the people during ward meetings, and all the ward committee lists are submitted to the UP Chairman. Each ward committee consists of 5-7 members. Each ward members chairs the WDC and the Female member acts as the deputy chair person. The functions of the WDC are to organize ward level participatory planning meetings, ensuring environmental sustainability of schemes, prioritizing selected schemes and submitting to the UP, implementing approved schemes, preparing three monthly reports of ward level work and organizing meetings for other matters.

Scheme Supervision Committee (SSC): The Scheme Supervision Committee (SSC) supervises and monitors all LGSP-LIC funded schemes of the UP funded under supplementary block grants. An SSC consisting of 5-7 members is formed in each ward. A member cannot simultaneously be a member of the WDC. At least one-third of the members have to be women. The SSC members elect their own Chair and Secretary. One member is appointed by the UNO. All other members are selected at an open meetings as is the case of the WDC. The main function of the SSC is to ensure supervision and monitoring of ward level implementation. It monitors the cost and quality of implementation of approved schemes. It informs the WDC about measures to be taken should any problems be identified in implementation and if the WDC does not take any measure, informs the UP, and further informs the BGCC if the UP fails to address it. The SSC keeps members of the community people informed about quality, efficiency and impact of schemes implemented.

Union Parishad Planning Committee (UPPC): The UPPC is headed by the Chairman of the Standing Committee on Public Works as chairman. Its members are: Chairman of the Standing Committee on Finance and Establishment, Chairman of the Standing Committee on Women and Children Welfare, and LGED engineer or Technical Consultant of UP. The functions of the UPPC include:

- Verification and prioritization both eligible and ineligible schemes (received from 9 Wards and 4 Standing Committees) in terms of environmental and social impacts.
- Collection of detailed information for estimation and design while inspecting the schemes.
- Prioritize eligible schemes through technical appraisal.
- Submission of technical recommendations of the schemes to the UP.

Union Facilitating Team (UFT): A UFT, consisting of 6-9 members, is formed to undertake a number of functions. These include: training of UPPC members for technical evaluation, prioritizing and recommending schemes submitted by the WDC, assisting the WDC and the UP in participatory planning through training on the LIC and other UP functions, updating the progress of the ongoing project of their own areas and sending reports to the Upazila Cooperatives Officer (UCO); providing support to participatory planning and open budget preparation at Ward level, and extending support to the UP in determining tax and collection.

Upazila Women Members Development Forum: The primary role of this forum is to ensure complete participation of women members in the UP, and to provide support to the UP in the socio-economic development of the poor women of the area. The WDF is created at upazila and district levels. The role and functions of the WDF remain officially rather fluid. And there remains room to develop it further.

District Facilitator (DF): A DF in each LIC district is charged with a number of functions. In particular, s/he is involved in coordinating a systematic process of monitoring and reporting from individual UP.

The Upazila Cooperative Officer provides assistance and advice to the UP on all project activities and trains committee members on participatory work-planning, implementation guideline, monitoring and reporting rules. S/he provides assistance and advice to the UP on implementing development projects and its management. Provide assistance and advice on

developing participatory planning and through different training workshops for development activities.

What is apparent from the above is that the role of the UP in the overall framework is limited. It can be seen more as a coordinating body and not a controlling one. It retains the final approving authority for decisions taken at different levels. But its power to veto what comes up for review is limited. In fact, the institutional mechanism is intended to encourage participation of the local people and ensure the upward and downward accountability of the UP. However, participation and coordination may assume different forms and are also affected by several factors; these will be identified and explained in a subsequent section.

LGSP and LGSP-LIC: The Difference

There exist some important differences between the institutional and organizational arrangement prescribed for LGSP UPs and LGSP-LIC UPs. Such differences are likely to cause some variations in the performance of the two categories of local councils. Table 3 below provides a summary account of the differences between LGSP and LGSP-LIC.

Table 2.3 LGSP and LGSP-LIC

LGSP-LIC	LGSP
Institutional and organisational framework	
Ward development Committee (9 WDCs in one UP) Women Development Forum	Project Implementation Committee (PIC)
Planning	
Union Parishad Planning Committee (UPPC) Chair of Works Committee heads UPPC 30% schemes are prioritised for and by the women Para and ward level meeting	Union Parishad Technical Assistance Committee (UPTAC) Any ward member can chair UPTAC Ward level planning
Budgeting and financial management	
Supplementary block grant plus Performance block grants Minimum conditions Audit by private firm 30% budget is earmarked for women prioritized schemes	Expanded block grant Audit by private firm
Monitoring and evaluation	
Scheme Supervision Committee (SSC) Nine SSCs SSC members are elected from the community	Scheme Supervision Committee (SSC) UP chair heads the SSC Three SSCs
Human resources management and development	
District Facilitators Union Facilitation Team Upazila resource Team Active involvement of DDLG Upazila Cooperative Officer	Upazila resource team
Communication, coordination and implementation	

Block grant Coordination Committee Upazila Development Coordination Committee Learning and sharing meeting	Scheme Implementaiton Committee Block Grant Coordination Committee Upazila Development Coordination Committee
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Source: Dash and Ahmed (2010).

Differences between the two could be noticed not only in the institutional and organization structure devised for implementing the projects, but also in the nature of activities required to achieve the outputs. As the following table shows, outputs expected of the LGSP as well as LIC were similar, but the ways of achieving them show some sign of difference.

Table 2.4 Relationship Between Components of LGSP

LGSP	World Bank Supported Components	UNDP-LIC Component
Output 1: Increased financial resources are made available to UPs in equitable and appropriate ways	Component 1: Fiscal Transfers Component 5: Social Protection Conditional Grants	Supplementary capital budget allocations, performance-linked funding mechanisms and support for revenue collection
Output 2: Improved public expenditure systems for local government institutions (UPs) are developed and used	Component 1: Fiscal Transfers Component 2: Institutionalizing Local Accountability Component 3: Supporting Core Local Government Capacity Development	Local public expenditure management (PEM) piloting
Output 3: Enhanced mechanisms for local accountability are established and implemented	Component 2: Institutionalizing Local Accountability Component 3: Supporting Core Local Government Capacity Development	Local public expenditure management piloting Deepening downward and horizontal Accountability
Output 4: More effective framework for capacity development support is established	Component 3: Supporting Core Local Government Capacity Development	Piloting demand-driven capacity development approaches Enhanced GOB support to UPs
Output 5: Policy development is informed by lessons of programme implementation	Component 4: Support to Performance review and Policy Development Component 5: Social Protection Pilot	Feeding lessons of pilots into the national LGSP and into national policy reforms

Source: Pillay, R. et. al., (2010).

The LGSP-LIC approach to strengthening the UP remains unique in some important respects. Several criteria have been used to select UPs for such grants; such criteria differ from those used for making other types of grants to the UP. The UP enjoys greater autonomy in respect of spending LIC grants than the other types of grants. Several conditions, however, have been set to make the spending of such money in an accountable and a transparent manner. Such conditions are intended to ensure that the UPs develop the capacity to deliver infrastructure and services in an efficient and effective manner. Several key issues have to be addressed in the evaluation of LGSP-LIC; these are described briefly below.

Identifying the Criteria for Evaluation

The stated outcome of the project is: “*improved Union Parishad capacity for effective, efficient and accountable delivery of pro-poor infrastructure and services.*” The intended target unit of the project is therefore the Union Parishad and the dimensions of performance that are to be improved are:

- Effectiveness of service delivery;
- Efficiency of service delivery;
- Accountability in service delivery.

A ‘capacitated’ UP is expected to produce numerous outcomes that are widely valued. Three such values are: efficiency, effectiveness, accountability. The relevance of any project and its replicability will largely depend upon the extent of achievement of these values and the way these are achieved. *Efficiency* means delivering services that meet desired performance requirements at the least sustainable cost. Efficiency therefore measures the success of managers in achieving the highest level of service delivery (i.e. output) possible from the resources – financial and equipment, unskilled and skilled labour, intermediate inputs and technology – that are available to them. The *efficient* delivery of services often requires an economy of scale in order to maximize outputs, which requires the availability of resources through budget allocation (Swierczek 1982:285). Efficiency in the management requires for achieving more benefits using less resources from the organization. Organizations can provide sufficient services required for people through applying proper management, creating new resources and utilizing appropriate organizational budget.

Effectiveness is measured by citizen satisfaction, as it mainly depends upon how much expected services are provided to citizens by the organization (Swierczek 1982: 285). The effectiveness of service delivery is the expected outcomes in the organization which depends on citizen/customer satisfaction that can be gained by managerial efficiency. Effectiveness is the attainment of goals and objectives of the organisation, which can be evaluated in relation to various objectives, such as meeting the needs of citizens or society. However, effective service delivery relates to management, official’s commitment, government policies, and politics and critical understanding these issues can make different content which could be an ideal example of good governance in Bangladesh.

Efficiency and effectiveness are closely linked. Policies and other instruments designed to promote one of these are likely to have a beneficial effect on the other. For example, policies to promote full-cost user charges under a hard budget constraint would force managers to employ their resources more efficiently since they would have to keep costs low for the tariffs to be affordable to customers. At the same time, full cost pricing provides market information from customers that discipline managers to be more effective in meeting customer needs. This will particularly take place if the market is contestable through competition in the market by different service providers or competition for the market (including monopoly markets) through concessions and management contracts of fixed duration.

Accountability is the process through which actors in an organization demonstrate the performance of their responsibilities required to fulfill the organizational goals. As accountability helps to ensure that procedures are followed and targets are met, it promotes effective service delivery. Thus, answerability is the prime concern of accountability. Answerability helps to assess how the actors reply the enquiries of people in the organization. The answerability requires public participation to establish democracy, human rights, good governance within the organization. Some organizations ensure accountability through people's participation whilst others ensure accountability by formulating committees, audit teams so that a country can move on the way to good governance. The elected representatives can be made accountable to public through participative process such as meetings, discussions by performing their duties and responsibilities. This implies that elected representatives have a political commitment to their constituents that they will serve their needs after winning an election in a particular locality. Elections are of course an extremely blunt instrument of political accountability. But making the representatives accountable for their work between elections is difficult. In local government where a dependency syndrome is all too evident, there is a need for devising special means for making accountable the councils which survive on central (also international) grant. Accountability can be upward, downward and horizontal. No single category is, however, sufficient to ensure accountability. What is thus needed is a system where all three variants can be found.

In addition to above, a few more substantive issues have to be taken into consideration while evaluating the project; probably the most important is relevance. What is immediately important to assess is the extent to which the project is in line with overall national policies and plans with respect to decentralisation and local governance. Also important is to identify the extent to which it addresses specific critical constraints to the realization of national objectives, particularly the achievement of MDGs. Equally important, if not more, is the issue of sustainability of the project. Sustainability is the capacity to endure. The extent to which the project has contributed to building capacity of local government is critically important.

Operationalizing the Criteria: Evaluation Questions

In accordance with the terms of reference, the evaluation is set to follow the standard approach to results-based programme evaluation based on the following key dimensions:

- Design quality;
- Effectiveness in the achievement of results;
- Efficiency of implementation; and

- Sustainability and replicability of programme activities and results.

This evaluation has addressed each of the programme dimensions by seeking answers to the following key evaluative questions and sub-questions.

Programme design has a major bearing on the relevance, effectiveness, efficiency and sustainability. However, it is of sufficient importance to be assessed as a separate performance dimension.

Evaluative Questions – Design Quality		
Evaluative Dimension	Evaluative Questions	Sub-Questions
<ul style="list-style-type: none"> • Design Quality 	<ul style="list-style-type: none"> • Are programme design, strategy and implementation arrangements conducive to effectiveness and efficiency? 	<ul style="list-style-type: none"> • How has programme design affected effectiveness and efficiency in the achievement of results and the sustainability of activities and outputs?
		<ul style="list-style-type: none"> • Are the inputs allocated commensurate with the expected results?
		<ul style="list-style-type: none"> • Is the programme strategy and structure optimal and how can it be adjusted and improved to raise effectiveness and efficiency?
		<ul style="list-style-type: none"> • Has programme design maximised national ownership?
		<ul style="list-style-type: none"> • How is the learning and dissemination component designed and what linkages to relevant parallel programmes have been provided for in the original design of the programme?
		<ul style="list-style-type: none"> • Is the programme optimally situated in institutional terms and how effective have the institutional arrangements been in support of the programme's objectives?

Programme results will be assessed in terms of outputs and outcomes achieved. *Outputs* are the immediate products that result from undertaking programme activities. Examples include establishment of a computerised database, preparation of a plan, drafting of a budget, the number of people trained etc. A programme *outcome* is the expected or achieved short- to medium-term intended or unintended cumulative effects of the programme outputs; and the *impact*, positive or negative, is the intended or unintended, direct or indirect, long-term effects produced by the project on broader level development. For instance, the impact may be measured in terms of its effect on millennium development indicators or on incomes and livelihoods within the local context.

A programme *objective* is a statement of what a project intends to achieve as a result of the production of the specified outputs. Objectives may be stated in terms of outcomes or, more

broadly, *impact* contributing to financial, institutional, economic or other benefits to a country.

Effectiveness is viewed as the successfulness of the programme in achieving its intended results.

Evaluative Questions – Effectiveness		
Evaluative Dimension	Evaluative Questions	Sub-Questions
<ul style="list-style-type: none"> Effectiveness in the Achievement of Results 	<ul style="list-style-type: none"> To what extent has the programme achieved its intended results in terms of outcomes and outputs? 	<ul style="list-style-type: none"> What are the principal achievements of the programme at the outcome/output level?
		<ul style="list-style-type: none"> What is the quality of the outputs/outcomes?
		<ul style="list-style-type: none"> Has accountability and transparency in management of service delivery been raised?
		<ul style="list-style-type: none"> How has the learning function operated in practice? Has it been efficient and has it influenced the design and implementation of the broader LGSP?
		<ul style="list-style-type: none"> How has the policy environment, political commitment and institutional context affected the overall success of the programme and what changes need to be made to raise effectiveness?
		<ul style="list-style-type: none"> Have the necessary systems and capacities been created at the local and central levels to manage decentralised planning and management of services and capital construction?
		<ul style="list-style-type: none"> Are the systems and capacity established transparent and accountable to end users and elected officials?
		<ul style="list-style-type: none"> How and to what extent has participation in decision-making increased at the local level and how (if at all) has the role of women changed? What has been the effect of increased participation and how is

		it perceived by different stakeholders?
		<ul style="list-style-type: none"> How effectively does the programme leverage and work with civil society organisations including the private sector in advocating approaches to local governance and planning, management and delivery of essential services at the local level?
		<ul style="list-style-type: none"> What M&E systems are in place and are they effective? How do they need to be modified and/or what capacities need to be built?
		<ul style="list-style-type: none"> What systems have been established for planning and management?
		<ul style="list-style-type: none"> What mechanisms have been established for communicating and providing information to the public?

Efficiency is assessed in terms of the timeliness and cost of the production of the intended results.

Evaluative Questions -- Efficiency		
Evaluative Dimension	Evaluative Questions	Sub-Questions
<ul style="list-style-type: none"> Efficiency of Implementation 	<ul style="list-style-type: none"> Has programme implementation been timely and efficient? 	<ul style="list-style-type: none"> Has programme delivery kept pace with expectations and matched planned levels and has financial management been sound?
		<ul style="list-style-type: none"> Has programme delivery kept pace with expectations and matched planned levels and has financial management been sound?
		<ul style="list-style-type: none"> Is the programme cost-efficient while delivering high quality inputs?

Replication is an essential feature in the design of pilot programmes and is a central indicator of success. Pilot programmes such as the LGSP-LIC are relatively small and their overall achievements have to be assessed within the framework of to what extent lessons are learned and communicated and the extent to which the programme has generated sufficient resources,

interest and commitment in parallel to enable the same model to be applied elsewhere and cumulatively on a larger scale. In this instance, the pilot is intended to demonstrate a model that is to be replicated across the country.

Scalability refers to the ease with which the model has demonstrated that it can be used to generate necessary resources, national commitment for adaptation and implementation on a much larger, in this case, national, scale.

Evaluative Questions – Sustainability and Scalability		
Evaluative Dimension	Evaluative Questions	Sub-Questions
<ul style="list-style-type: none"> Sustainability and scalability of Programme Activities and Results. 	<ul style="list-style-type: none"> Is the capacity created sustainable or can this be replicated and scaled up on a national basis? 	<ul style="list-style-type: none"> Are the outputs and capacity created at the local level sustainable and are they replicable with or without external support?
		<ul style="list-style-type: none"> What are the critical constraints to sustainability, replicability and scalability and how can they be overcome?
		<ul style="list-style-type: none"> Is capacity retention high and what policy changes can lead to its enhancement?
		<ul style="list-style-type: none"> Has the LIC generated learning and have the lessons learned been incorporated into the broader LGSP?
		<ul style="list-style-type: none"> What are the prospects of the LGSP-LIC model being adopted nationally by the Ministry of Local Governance and Rural Development and the Ministry of Finance under the Methodology and Coverage of national budget and what are the principal constraints preventing such an outcome?

Chapter 4 LGSP-LIC: Exploring the Achievements

The LGSP-LIC, as stated in earlier chapters, is expected to produce a number of outputs that are considered to be necessary to upgrade the capacity of the UP to undertake responsibilities bestowed on it. This chapter explores the extent to which such outputs have been produced.

A. Resource Transfer and Local Resource Mobilization

The project intended to achieve this Output through two activity clusters: (i) Testing a performance-linked funding mechanism within selected districts (Supplementary Block Grant), and (ii) Supporting UPs in improving own-source revenue mobilization.

Indeed, building on SLGDP experience and the GoB's policy move to direct block grant funding, the LIC project intended to go a step further in respect of the conditions of access and performance-based incentives provided within the GoB/WB funded components of LGSP as a whole, and at the same time explore the limits of UPs' absorptive capacity of additional funding for local infrastructure and service delivery. LIC-intended key activities in this area (as reflected in the project document) are:

- To provide selected UPs with a supplementary grant averaging Tk 700,000 (in addition to their Expanded Block Grant) making total annual fiscal transfers of about US\$ 19,600 per UP or US\$ 0.78 per capita;
- To develop and test effective eligibility criteria and performance incentives associated with the enhanced fiscal transfers;
- To explore the extent to which UPs are capable of managing block grant transfers to carry out targeted national programmes such as the food security/rural employment programme, for which funds are usually routed through other channels.

On the local revenue side, the project intended to provide targeted support, associated with an incentive scheme, to enable UPs improve their performance in own-source revenue assessment and collection. Two key activities were foreseen in the LIC Result and Resources Framework in this respect:

- Again building on earlier work in Sirajganj district – where revenue collection guidelines led to significant gains in the effectiveness and efficiency of local revenue administration - the project intended to undertake further capacity-building and support in this area;
- Also, the project intended to adopt a “process” approach to UP revenue enhancement, seizing opportunities for policy pilots as and when they arise such as piloting modest changes in the revenue base of UPs by increasing in the proportion of the Land Tax that UPs receive (subject to the GoB approval).

Volume of grant transfers

The Project intended to provide a total of US\$ 10.4 Million in discretionary block grants to the target UPs in the selected 6 districts, as per the following schedule:

Table 4.1 LIC – SBG Projections

LIC_SBG Projections (Prodoc)					
	Year				Total
	2007-8	2008-9	2009-10	2010-11	
Sirajgoing District (82 UP)					
UPs Qualifying	75	78	80	80	
Other Districts (315 UP)					
Percent Qualifying UP	25	50	75	90	
Number Qualifying UP	79	158	236	284	
Total Qualifying UP	154	236	316	364	
SBG/UP (TK)	700,000	700,000	700,000	700,000	
Total SBG (TK)		165,200,000	221,200,000	254,800,000	641,200,000
Performance Add-on (TK)		19,432,000	26,740,000	30,184,000	76,356,000
Total LIC Funding		184,632,000	247,940,000	284,984,000	717,556,000
Total LIC Funding (USD)		2,675,826	3,593,333	4,130,203	10,399,362

Actual grant transfers during the period 2007-2011 as reflected in the Project monitoring system were as follows:

Table 4.2 LIC (Actual) Grant Transfers to UPs

LIC (Actual) Grant Transfers to UPs						
	2007-8	2008-9	2009-10	2010-11	2011-12	Total
Qualifying Ups (SBG)	80	174	264	362		
Qualifying Ups (PBG)				117		
Qualifying Ups (TBG)					362	
Suppl Block grant (SBG)	53,221,347	121,800,000	184,800,000	253,400,000		613,221,347
Performance Grant (PBG)				23,400,000		23,400,000
Transitional Block Grant (TBG)					54,300,000	54,300,000
Total (Tk)	53,221,347	121,800,000	184,800,000	276,800,000	54,300,000	690,921,347
Total (USD)	858,409	1,778,881	2,566,667	3,690,667	662,195	9,556,819
Exchange rate (estimate)	62.00	68.47	72.00	75.00	82.00	

The above figures show that despite a slow start in the enrolling of UPs in the LIC performance-based funding mechanism (supplementary block grants – SBG), the number of UPs qualifying for LIC funding as well as the volume of grants disbursed did develop at a steady pace; hence, by the closing date of the Project (December 2011):

- 99% of UPs initially targeted for receiving LIC funding have qualified for SBG;
- 96% of planned funding (expressed in Taka) were actually disbursed under three different modalities:
 - Supplementary Block Grants - SBG (during 4 annual rounds: 2007-8 to 2010-11)
 - Performance Block Grants - PBG (during one annual round: 2010-11)
 - Transitional Block Grant – TBG (as a bridging funding in 2011-12 pending the start of the successor project – UPGD)

Trends in own-source revenue collection

The following table highlights trends in own-source revenue mobilization by UPs; it provides data for a sample¹ of UPs relating to planned and actually collected revenues during a 6-year period (prior and during LDSP-LIC):

Table 4.3 UP Own-source Revenue Mobilization Performance

UP Own-Source Revenue Mobilization Performance (2004-2010)							
	Barguna	Feni	Habiganj	Narsingdi	Satkhira	Sirajganj	Total
	18 UP	23 UP	48 UP	28 UP	40 UP	60 UP	217 UP
Before –LIC							
FY:2004-5							
Target	6,325,654	3,341,262	14,569,331	4,163,465	6,250,792	18,082,783	52,733,287
Actual	3,048,221	138,380	3,583,733	1,521,184	2,153,294	7,722,020	19,366,832
Actual/Target	0.48	0.04	0.25	0.37	0.34	0.43	0.37
FY:2005-6							
Target	8,052,506	3,836,911	15,423,955	4,286,485	6,977,371	16,528,891	55,106,119
Actual	3,812,114	1,575,486	3,725,457	1,898,788	2,277,986	11,547,699	24,837,530
Actual/Target	0.47	0.41	0.24	0.44	0.33	0.70	0.45
FY:2006-7							
Target	9,164,343	4,092,080	15,306,640	5,228,016	7,520,473	20,342,707	61,654,259
Actual	4,764,217	1,709,263	4,463,104	2,243,469	2,831,799	11,171,037	27,182,889
Actual/Target	0.52	0.42	0.29	0.43	0.38	0.55	0.44
Total Before-LIC (3 Years)							
Target	23,542,503	11,270,253	45,299,926	13,677,966	20,748,636	54,954,381	169,493,665
Actual	11,624,552	4,623,129	11,772,294	5,663,441	7,263,079	30,440,756	71,383,251
Actual/Target	0.49	0.41	0.26	0.41	0.35	0.55	0.42
Under LIC							

¹ The Evaluation Team could not get data on all UPs.

FY:2007-8							
Target	10,462,521	4,154,177	17,084,436	5,979,761	7,934,737	20,541,632	66,157,264
Actual	4,643,112	2,699,914	5,886,821	2,400,040	4,101,286	10,325,772	30,056,945
Actual/Target	0.44	0.65	0.34	0.40	0.52	0.50	0.45
FY:2008-9							
Target	14,218,182	4,319,116	18,717,972	7,117,650	8,136,814	16,934,106	69,443,840
Actual	7,602,778	2,810,674	5,224,708	3,105,788	3,704,960	12,173,884	34,622,792
Actual/Target	0.53	0.65	0.28	0.44	0.46	0.72	0.50
FY:2009-10							
Target	18,591,365	5,269,973	21,255,719	7,775,760	7,971,831	20,100,154	80,964,802
Actual	10,133,849	2,581,685	5,798,757	3,546,848	4,234,075	10,782,342	37,077,556
Actual/Target	0.55	0.49	0.27	0.46	0.53	0.54	0.46
Total Under LIC							
Target	43,272,068	13,743,266	57,058,127	20,873,171	24,043,382	57,575,892	216,565,906
Actual	22,379,739	8,092,273	16,910,286	9,052,676	12,040,321	33,281,998	101,757,293
Actual/Target	0.52	0.59	0.30	0.43	0.50	0.58	0.47
Local Revenue Mobilization Effort							
Before -LIC	0.49	0.41	0.26	0.41	0.35	0.55	0.42
Under-LIC	0.52	0.59	0.30	0.43	0.50	0.58	0.47
Progression	4.74%	43.54%	14.04%	4.74%	43.06%	4.36%	11.57%

A number of observations are in order in respect of UP own-source revenue mobilization during the reported period:

- (1) Data relate to 217 UPs (out of 362 possible) – these are the only available data at the time the evaluation took place;
- (2) On average, revenue collected during the 3 LIC years increased by **42.5%** compared to those collected during the 3 years preceding LIC.
- (3) During the period prior to the start of LGSP-LIC (2004-7), UPs in the sample collected on average **42%** of targeted revenue mobilization – with UPs in Sirajganj district having the best performance (55%) and Habiganj UPs the lowest (26%).
- (4) During the first 3 years of LGSP-LIC, UPs collected on average **47%** of planned revenue mobilization – with UPs in Feni district achieving the best performance (59%), immediately followed by UPs in Sirajganj district (58%), and again Habiganj UPs with the lowest (30%);
- (5) Therefore, under LIC, UPs improved their collection ratio by **11.56%** while nominal collected revenue increased by 43%.

Assessment of collection performance

It should be noted that, despite the improvement in revenue mobilization (essentially holding tax), the collection ratio remains significantly low: the evaluation team could not ascertain whether such modest achievement is due to over-estimating collection targets or incapacity of UPs to do better. Nevertheless, the relative rise in revenue collection ratio can be attributed to the following factors:

- The modalities introduced by the LIC Project, in particular, the use of “family card” to record services received by each family along with information on taxes paid; hence, linking eligibility to services with the payment of local taxes has likely contributed to broadening the revenue base and increasing collection;
- Guidelines and related capacity building provided by the LIC Project in the area of tax assessment and collection
- The inclusion of the regular assessment of the holding tax bases in the criteria serving for the evaluation of UP performance, and finally
- Rise in confidence among local community members resulting from the openness of the planning/budgeting/implementation processes introduced by the LIC project and the perceived responsiveness of UPs to the needs and priorities expressed by the communities themselves during the planning process.

Table 4.4 LIC Grant Distribution (Actual vs. Target)

LIC Grant Disbursement (Actual vs. Target)						
	2007-8	2008-9	2009-10	2010-11	2011-12	Total
Eligible UPs (Target)	154	236	316	364	364	
Eligible UPs (Actual)	80	174	264	362	362	
Eligible UPs (Actual/Target)	52%	74%	84%	99%	99%	
Total Grants (Target) Tk	-	184,632,000	247,940,000	284,984,000		717,556,000
Total Grants (Actual) Tk	53,221,347	121,800,000	184,800,000	276,800,000	54,300,000	690,921,347
Total Grants (Actual/Target)	n.a	66%	75%	97%	n.a	96%

Utilization of grants

By design, the LGSP-LIC was meant to provide eligible UPs with block grants that they can use at their discretion for financing the development of local infrastructure and services through an open, participatory planning-budgeting process. (EBG and SBG) cannot be used for financing (i) Salary of the staff and honorarium of the UP Chairman and Members; (ii) Donations for religious institutions (temple, mosque, church, crematorium, graveyard etc.); (iii) Micro-credit schemes; (iv) Investment in profit-making or non-profit businesses; (v) In any scheme that has adverse impact on the environment or society.

Limited discretion

However, in practice UPs had to comply during two fiscal years (2008-9 and 2009-10) with the conditionality attached to the funding provided by the European Union (Food Security Programme) to use the proceeds of the grants for developing labour-intensive schemes; as a result, labour content accounted on average for respectively 97% and 96% of total scheme

costs during 2008-9 and 2009-10. This requirement affected the discretionary nature of the SBG to the extent that UPs had to direct the grant to the implementation of labour-intensive (at least 75% of the scheme cost). As noted in the MTR, “while this may have ensured that a significant portion of resources accrued to the poorest segments of the community in the form of short-term wages – mainly during the off season – it also clearly skewed the selection of priorities, affected the standards of infrastructure construction/rehabilitation, and reduced the long-term sustainability and impact of the infrastructure constructed”.

Yet, the MTR judgment might be too excessive: indeed, even in the absence of conditionality attached to the use of grant resources (2007-8 and 2010-11) UPs have opted in general for implementing local infrastructure with high labour content – which may denote a deliberate choice of UPs to use the grant resources for generating employment opportunities for local communities. The only exception to such spending pattern is to be found in the planned schemes to be financed from the Transitional Block Grants (TBG) in 2011-12 where the labour share in total scheme costs is expected to be below 20%. However, TBG can be regarded as tied to the extent that UPs were required to use the resources for MDG-oriented expenditures, particularly in education (furniture and repairs of schools), communication (rural roads, paths and culverts), sanitation (latrines), local economy (market development), and vocational training and awareness campaigns (maternal health, drop out schools...).

Volume and scheme patterns

The number of schemes implemented by UPs under LIC funding is summarized in the following table:

Table 4.5 Schemes: 2007 – 2011

Schemes: 2007-2011						
	2007-8	2008-9	2009-10	2010-11	2011-12	Total
Number of UPs	80	174	264	362	362	
Total Grants (Tk)	53,221,347	121,800,000	184,800,000	276,800,000	54,300,000	690,921,347
SBG	53,221,347	121,800,000	184,800,000	253,400,000		613,221,347
PBG (117 UP)				23,400,000		23,400,000
TBG					54,300,000	54,300,000
Number of Schemes	833	1,896	2,774	4,152	587	10,242
Average Scheme Cost (Tk)	63,891	64,241	66,619	66,667	92,504	67,460
% Labour	n.a	97%	96%	n.a	18%	

The above figures as well as the findings of the field investigations and different studies² carried out by the Project during the last two years commend the following observations:

² In particular, LIC Mid-Term Review (2010)

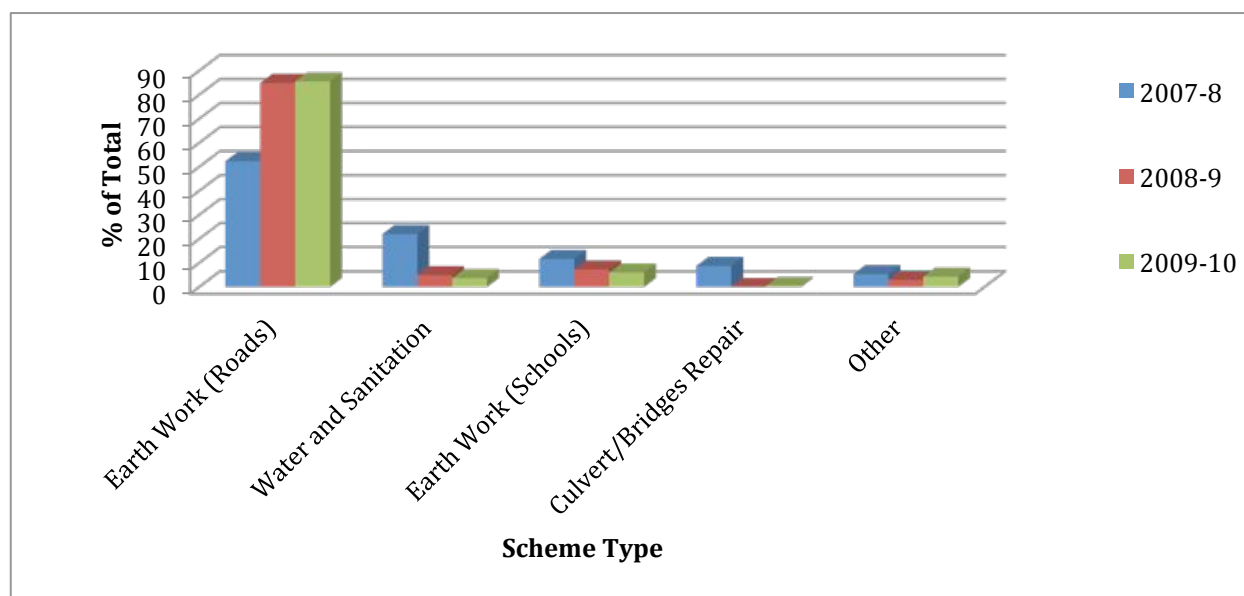
- After a slow start, actual delivery of local infrastructure (schemes) has been on the rise over the period 2007-2011 as more UPs have met performance criteria and became eligible for SBG.
- UPs elected for the development of rural infrastructure schemes, mostly labour-intensive small scale works as attested by the findings of a recent study (December 2011) on the use of SBG by UP³: earth works, roads and culverts together accounted for 61% of total schemes in 2007-8 and 85% in 2008-9 and 2009-10 (cf. Table below); and even when grants were used for financing other types of services such as education, the preference was for building or rehabilitating of footpaths providing access to schools (using again labour-intensive methods).

Table 4.6 LGSP-LIC Scheme Patterns

LGSP-LIC: Patterns of Implemented Schemes			
Types Schemes	2007-8	2008-9	2009-10
Earth Work (Roads)	52.30	84.90	85.57
Water and Sanitation	21.98	4.93	3.69
Earth Work (Schools)	11.65	7.25	6.02
Culvert/Bridges Repair	8.74	-	0.44
Other	5.33	2.92	4.28
Total	100.00	100.00	100.00

Source: Study on Use of SBG, BIDS, December, 2011.

Graph 1 Pattern of Schemes Implemented under LGSP-LIC



Overall, UP performance has generally improved, although the MCs were on the less demanding from the onset of the LIC, as a high compliance rate was observed from year 1 (the compliance with MCs have increased from 91% to 94.6 % between 2007 and 2010).

³ “Study on Results of Use of SBG” (First Draft). BIDS, December 2011.

The performance is generally better in the UPs which have been in the system (LGSP-LIC) for some time, despite the fact that the number of MCs has increased from 4 to 7 from year 1 to the subsequent years. UP performance achievements can be attributed to several factors:

- Generally, the conditions attached to the additional funding (SBG) did motivate UPs to improve their performance further as the MCs/PMs are seen as positive obligations by the UP chair and members.
- Within the UPs many core stakeholders have become aware of their responsibilities because of the system of incentives for performance with accountability mechanisms.
- In the area of revenue mobilization, the PBGS has been one of the strongest arguments put forward to improve tax mobilization, as local politicians could easily convince communities to pay their due taxes to enable UPs get increased grants and to improve service levels: all stakeholders mentioned that LIC, through its incentive framework, has contributed to improved own source revenues, although more can be done in this area, e.g. linkage of the grants with better revenue mobilization efforts.
- Also, the MCs/PMs system has generated a sense of competition among neighboring UPs: this has contributed to better performance as all the UPs want to achieve higher scores, which they think would ensure more future funds for them.

B. Streamlining Public Expenditure

One of the important objectives of LIC is to ensure that an improved public expenditure system is developed and used for UPs. The end of project status shows that most of the targets specified in the original pro-doc have been realized. For example, planning and implementation guidelines have been developed and disseminated among the UPs. Almost all UPs have organized participatory planning meetings at para and ward levels; while SSCCs have been formed in almost every case for implementation of schemes and monitoring.

Table 4.7 Improved Public Expenditure: Output Target and Achievement

Output	Expected Target (as per Prodoc)	Status of Achievement (as of end 2011)
Output-2: Improved public expenditure systems for UPs are developed and used	<ul style="list-style-type: none"> • Planning & Implementation guidelines developed and disseminated (2007) • Participatory planning operational in 30% of UPs in 2007 increasing to 100% by 2010. • All plans include provision for O&M and 30% of schemes are exclusively identified by women's groups (2007+) • Tendering undertaken at UP level and threshold for tendering increased to TK. 100,000 (2007+) • Scheme Supervision Committees operational for 100% of all works (2007+) • Weatherproof notice boards covering 	<ul style="list-style-type: none"> • Project produced the harmonized LIC Operational Manual and endorsed by GOB and used by UPs. • UP Planning Guideline developed and submitted to LGD. 100% LIC UPs has organized participatory planning meeting at Para and Ward level. • 100% LIC UPs has reviewed their 5 years planned in yearly basis and about 100% schemes have O&M by UP/WDC • Over 30% schemes have been prioritized by Women and also 30% fund earmarked for Women

	<p>100% of schemes modified to include O&M requirements</p> <ul style="list-style-type: none"> • Development of guidelines to DDLG and UNOs for UP supervision, mentoring and internal audit (2007) • Reduction of waiting time for in LGED approvals and design reduced by 30% (2007), • UCO support UFTs and UPs in 30% of UPs (2007) gradually increasing to 100% by 2009. 	<p>development.</p> <ul style="list-style-type: none"> • All LIC UPs have maintained the procurement system follow the Public Procurement Rules 2009 (PPR 2009). • Total 3492 Scheme Supervision Committees (100%) organized and trained on how to ensure the quality of scheme implementation at ward level. • Scheme information board has hanged in each of every scheme's side. • Manual on Monitoring, Supervision and Inspection have developed and submitted to LGD for approval. • LIC UPs is getting the extensive support from LGED office. • 3492 UFTs have been recruited and trained and support to UPs under guidance of UCOs, DF and DDLGs.
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Source: Project Office

Several drawbacks, however, characterize the planning, procurement and UFT systems. The “planning” system (as it is designed and applied) has the following shortcomings:

- UP does not ‘plan’ comprehensively for all its resources; instead planning is done separately for each funding source. As a result, reporting on use of funds is done also separately for each funding source, leading to further burdening the UP Secretary and defeating the purpose of streamlining local resources management into a unified government-based system.
- All schemes are ward-wise, resulting in the implementation of small scale infrastructure addressing much localized needs (within ward boundary), and not contributing to building a sense of UP-wide community.
- There is no UP-wide genuine strategic planning: instead, for the sake of inter-ward equity, the policy is to ensure that all and every ward get a share of the annual grant to implement at least one scheme as UP members are keen on showing to their respective electoral constituencies visible achievements.
- However there are differences between Siranjganj and the other LGSP-LIC Districts in this respect: the frequency distribution of the average number of schemes per UP is around 12 in Siranjganj district – one for each UP member, and 9 schemes in the other districts – corresponding to the 9 wards. UP officials met during the field trip argued that if the grant size were to be increased, UP-wide investment would be made possible.

If the planning process can be seen as less than satisfactory in some respects, neither can the rules governing the public procurement system be considered as very effective. All LIC UPs have sought to follow the PPR 2009 mostly on paper not for their own failings but because of the rigidities associated with its implementations.

- Direct procurement (through Request For Quotation) is not used because securing 3 quotations is not feasible in all cases. Also, most (if not all) ward level schemes are procured through “community contacting” modality.
- The rules determining when RFQ must be used may not be fully clear to the UP and the WDC. In practice it seems that many non-labour intensive schemes are implemented directly by the WDC, presumably on the basis that each individual purchase (but not the total for the scheme) falls below the 15,000 TK direct purchase threshold.
- In practice, UPs did not so far use the Open Bidding method, reflecting a shared belief that the UP can achieve the highest benefits for the community by implementing small schemes costing less than 200,000 Tk each; but other factors may also be in order.
- The opportunity to implement schemes can be seen as valuable in itself by the WDC and most particularly, by the UP members;
- The procedures for open tendering are seen as cumbersome and impractical for the UP to implement because of lack of technical capacity (to prepare bidding documents, evaluate bids, and supervise contractors)
- There is a general distrust of competitive tendering and of commercial contracting arrangements in general amongst many stakeholders. Contracting is seen as expensive, prone to corruption; it is considered as depriving the local community of employment opportunities.

As with performance in respect of planning and procurement, union facilitators, who are expected to be the harbinger of the new programme, do not appear to be as effective as they should be. As observed above, a large number of UFTs (3942) have already been recruited and trained. A UNDP-funded BIDS study shows that the system has both advantages as well as drawbacks. It observes that the better performance of the LIC UPs can to some extent be attributed to the existence of the UFT system. Besides training WDC and SSC members and organizing para and ward level meetings, UFTs facilitate the activities of the chairman and help improve the performance of the UP. But their commitment level turns out to be very low for several reasons, particularly because of insufficient remuneration and low level of engagement (Hossain and Sen, 2011: 34). This results in frequent turnover of UFT. Thus whenever there is an opportunity, UFTs try to grab it. In the case of withdrawal or drop-out, there was no provision in the project to reappoint a new UFT member with a 6-day basic orientation training. Many consider it as a stepping stone to become elected to the UP, and leave the post without any hesitation. Those who want to get involved in local politics, however, find the job as very useful. There is also not much work to be done by 9 UFTs.

C. Access and Participation

The project has enabled communities to access infrastructure and services where none existed before and overall satisfaction levels are high (MTR: 2010: 39). Measures have been taken to ensure access to the people to different project activities. Schemes are mostly labour-intensive; so the poor theoretically are likely to be the main beneficiaries of the project. Lack of resources previously did not allow the UP to provide services to the people. There is however some doubt whether the very poor are sufficiently involved in this planning process, and therefore targeted by project interventions. This is not only in terms of possible loss of income if they attend meetings but also in the wider scheme selection process it is not clear

how poorer segments of the UP population are actively targeted. This would need further study in terms of establishing how to actually address the poorer segments of UPs in a more inclusive and active way. Moreover, since the UP office now remains open during office hours, people may turn to it for different kinds of services. There are not serious complaints of the UP denying services to any category of people. According to a survey findings as reported in MTR (2010), more than 88% respondents in LGSP-LIC areas said that the UP office remained open regularly while 4.7% respondents said that the UP office remained open occasionally. In the Non-LGSP districts 60.7% respondents said that their UP office remained open regularly while 15.8% said that it is open occasionally. Monthly meetings in LGSP areas are also held more frequently than non-LGSP areas.

Table 4.8 Frequency of Union Parishad Meetings

	Aggregated		LGSP-LIC		NON-LGSP	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
	Arranged Regularly	528	41.9	308	48.0	220
Arranged Occasionally	159	12.6	54	8.4	105	17.0
Did not Arrange	50	4.0	15	2.3	35	5.7
Could not say/Did not know	524	41.6	265	41.3	259	41.8
Total	1261	100.0	642	100.0	619	100.0

The discretionary funds have for the first time empowered UPs and the communities to decide on their own priority development schemes and plan and implement them. With increased focus on financial management and proper planning the UP has to demonstrate that they are capable of managing finances as well as enhance their accountability. While the schemes are limited in size and scope and often involve earthen works/foot paths and water canals, they do have secondary benefits such as easier access to health clinics and schools and benefitting the local community through ensuring their greater mobility, transportation facilities and access to markets other facilities (MTR: 2010).

The LIC planning process is participatory. Participation in project identification (WDC), project selection (UPPC), project implementation (WDC) and project supervision is (SSC) is clearly visible. Never before in the past were so many people mobilized to undertake the types of things these committees are doing. Meetings of different committees are held more or less regularly. However, while participation in the planning and implementation of programmes and projects are clearly evident, there still remains some doubt about the extent to which there exists scope for participation in evaluation and benefits. Participation in decision-making and implementation pertains to the inputs of projects; while people's involvement in benefits and evaluation of development activity concerns outputs. In general, there is some kind of recognition that LGP-LIC has broadened the scope for participation both in different input activities as well the sharing of outputs.

D. Accountability and Transparency

One of the important objectives underlying the LIC is to ensure that those responsible for spending the grants (and also resources raised locally) account for their activities downward to the people and to the government. Several mechanisms have been devised to ensure such accountability and to promote transparency. Important among them are the provisions for open budget meetings, public approval of schemes for local development, erection of notice boards in each project site providing details, and regular interaction of standing committees with line agencies of government. Measures have been taken to ensure that as much information about annual grant allocations to UPs is made publicly available. The programme has also encouraged UPs to make public decisions made about micro-project selection. During the implementation phase, LGSP-LIC has insisted upon an ongoing social audit process – all micro-projects have signboards (indicating their designation, budget, and those responsible for implementation). WDCs keep project books (recording all relevant information, including costs, about project implementation) and disbursements are conditioned upon public meetings at which progress in implementation can be discussed.

Information supplied by the project office reveals that the project has fared extremely well in achieving the twin goals of accountability and transparency, as the following table shows. Almost all UPs have organized open budget meetings and established scheme notice boards at the scheme site. 100% UPs have organized and facilitated ward level sharing meetings with community on a quarterly basis. In general, participatory systems of accountability and transparency have been established and have raised public confidence where confidence levels were dangerously low. Increased participation of the public in critical decision-making processes, not least budget and scheme supervisory meetings, have in general raised accountability on the part of elected officials vis-à-vis the public by shining a light on critical steps in the development of infrastructure and the provision of services.

Table 4.9 Accountability and Transparency: Expected Output and Achievement

Output	Expected Target (as per Prodoc)	Status of Achievement (as of end 2011) (including justification of under-achievement if any)
Output-3: Enhanced mechanisms for local accountability are established & implemented	<ul style="list-style-type: none"> Dissemination of UP budgets and accounts in 30% of UPs in 2006/7 increasing to 100% by 2010 Scheme notice-boards erected for all UP-funded projects (2009) Regular (quarterly) Ward meetings facilitated by UP members in Xx% of UPs (2009) Xx% of UP standing committees meet on a regular basis with relevant line departments Xx% of UP Chairmen Fora meet on a regular basis with line departments (2009) Xx% of UP women members' fora meet on a regular basis with line departments (2009) 	<ul style="list-style-type: none"> 100% UPs of LIC working areas have organized open budget meetings. All UPs have established scheme notice boards at the scheme sites. 100% UPs have organized and facilitated ward level sharing meetings with community on a quarterly basis. Almost 70% UP standing committee interact with concerned line department on a quarterly basis. LIC did not support to form another Forum because UP Chairman have the different Forum such as Bangladesh Union Parishad Forum (BUPF), Union Parishad Samity etc. Almost 100% WDF members attended the Quarterly WDF meetings on a quarterly basis.

The creation of WDCs and SSCs had a degree of transparency as in every ward a meeting was organized where 50 to 100 people participated and openly selected their representatives for WDC and SSCs. This process has ensured a somewhat unbiased selection of WDC and SSC members, which therefore ensures that the committees are relatively more representative of the full strata of local communities. The transparency and accountability framework of the project helps the UPs to regain the trust of the community, which was at an almost dangerously low point in the recent past. Communities have to a certain degree enjoyed empowerment by being involved in the decision making process of scheme selection and to decide their own local development through participation in the participatory planning sessions and open budget meetings. It is calculated that more than 3 million men and women have participated in these sessions (MTR, 2010). Para level participatory planning has brought the decision making process to the very heart of communities. In general, because of the provision for open budget, ownership and belongingness among the people have increased, tax collection improved, and the public has become more aware of the roles and responsibilities of the UP (Dash and Ahmed, 2010: 25).

**Transparency and Accountability Contributed to the Efficient Use of Budget
Increasing Volume of Work by 60 Percent than Originally Planned**

Barguna is a coastal district vulnerable to frequent natural disaster and recently it was struck by the deadly storms like SIDR, BIZLE & AYLA. Two major rivers passed by this district - Pyra on south-east while Bishkhali on the east-west. One of the Upazilla named Bamna situated on the bank of Bishkhali River. There are four unions in this Bamna upazila of which Bukabunia is one. Bukabunia union has been included in LGSP-LIC since 2008. From that time on, most activities of the LIC mandates have been conducted properly such as organizing the WDC & SSC in each ward or holding participatory planning sessions. By now the Bukabunia UP implemented 9 schemes in 9 wards in 2008-09 period. The residents of the ward 4 selected an earthen road construction scheme in one of the PPS which was later approved by the UP after necessary screening by UPPC. The story of this scheme shows that transparency and accountability contributed to efficiency and devotion among the councilors and community. According to the original plan the length of the road was fixed 1000 feet. But the appropriate use of the fund finally allowed the extension of the length another 600 feet. The total length of the road became 1600 feet instead of 1000 feet. The UP woman member who was also the chairperson of the Ward Development Committee that was entrusted with the task of implementation expressed her deep satisfaction in the following words “Let alone reaping any personal benefit, I did not even purchase a single cup of tea for myself”. All this possible because of the transparency and accountability the LIC design ensured. The community was inspired to prevent any unnecessary expenditure whatever it was in the original estimate. Such frugality and vigilance also contributed to ensure the quality of the work, roughly 60% more work could be carried out with the same budget. What was further interesting was the community’s enthusiasm to replicate such norms all over Bangladesh.

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E. Gender and the Role of Women

LGSP-LIC aims UPs to achieve efficiency, transparency through people friendly, pro-women and pro-poor activities. LGSP LIC scheme selection required to be gender friendly and pro-poor according to the UP operational manual for these districts. Regarding women, projects

cannot be taken which have negative impact on women's lives and livelihoods, hinders women's participation in social activities and hampers proper and democratic society formation. So the schemes selection process is encouraged to be participatory and to enhance women's rights, status and increase their participation, and which aims to provide familial and societal support for women's development. The LGSP-LIC has introduced the following measures to lay a foundation for women's participation at the UP level:

- Formation of a Women Development Forum (WDF) at the Upazila to organize Union Parishad women members to better exercise their rights in decision making;
- Earmarking 30% of the Supplementary Block Grants for schemes identified as high priority by women;
- Chairing of one third of the Ward Development Committees (WDC) under the LIC by women;
- A performance criterion requiring regular and active participation of women members in the UP's monthly and other meetings for eligibility for Supplementary Block Grants (SBGs); and
- Inclusion of at least three women from the community in the Union Facilitation Team (UFT).

In practice, a woman leads one third of the WDCs in their three-ward constituency and women are vice chairs in the remaining two thirds. No member of the WDC can simultaneously be a SSC member and vice versa. Fifty percent of the SSC members have to be women from the community. The BGCC is chaired by the UNO and among others, one woman member from each of the Unions are members of the BGCC. The Women Development Forum (WDF) as a platform for UP women evolved from the experience of the Sirajganj pilot project. The WDF has enabled women to network and organize for collective action and advocacy and to be more effective in the provision of services to the community. The primary role of this forum is to ensure complete participation of women members in the UP, and to provide support to the UP in the socio-economic development of the poor women of the area. WDFs have been created at Upazila/District level to ensure women members' role in the development process. The Executive Committee of Upazila Women Forum is:

- Chairperson
- Panel Chairperson
- Joint Secretary
- Executive Member depending on the number

UP women member's direct involvement in accessing and utilizing Block Grants through the LIC project in close cooperation and collaboration of the chairs and male members have been contributing to developing the capacities of the female members. The capacity of UP women members in project planning and development scheme is found to have improved substantially through their training and experiences as WDC members. The UP women in the WDCs and the WDF reported that they were learning the planning and budgeting of schemes. The position of the UP women as chairs and vice-chairs in the WDCs and as joint signatories to the UP Block Grant account is expected to provide them with the opportunity to learn financial management issues through the training, information they collect from the UPZ offices and the practical experiences; enable and facilitate them to discuss finances with the community and women; create confidence to assert their roles in ensuring service provision.

The women UP members in joint FGD with UP chairs, members and SSC, WDC male members were found to be confidently putting forward their points and participating with important facts and information on the issues of LIC and services during the field study for this report. Particularly the women members in Sreula UP of Ashashuni UPZ and Khalilnagar UP of Tala UZP and Satkapan UP of Bahubol UZP were vocal and assertive.

For information of ongoing processes some women members have been found to have access to government orders in Upazila offices. UP women members in the LIC project, particularly in Shreula visit the UNO frequently. They also have meetings with the Upazila Women Affairs Officer regarding access to information and funds for making the WDF more effective and viable. The UP women members in the LIC committees have reported that they can assert their role and responsibilities better than previous time roles in performing the regular UP functions i.e., selection of VGF/VGD, widow and old-age pension beneficiaries because of training and their experiences as LIC committee members. What is important to note is that the public attitude towards women in the local governing process is changing, with a large number of people supporting the approach. A survey shows that in the LGSP-LIC areas some 46% of respondents indicated that they believed that women can participate effectively in planning and supervisory work, while just 24.6% of the respondents believed the same in non-LGSP-LIC areas (Ferdous and Islam, 2010). In the same survey, 69.2% of respondents in LGSP-LIC areas indicated that they believed that the views of women members of scheme selection and supervision committees were accorded importance in decision-making, while just 24.2% believed the same in non-LGSP-LIC areas.

LIC Money Reaches to People's Door"

Ward meeting incorporate people of all strata, teachers, businessmen, farmer, women. After welcoming the constituents, invite for scheme selection, then prioritise the schemes according to the urgency and coverage.

LIC ensured gender equity as women members participate in every stage of UP activities including scheme implementations and one third schemes are implemented by women members. So, women members are respected more in the locality. Women members prioritise women's and majority's needs including poor, their future plans include proving WATSAN facilities for more poor families and better maternal health facilities including provision for payment for a MBBs doctor in the UP. Women members work actively for reducing child marriage.

NGOs can actively collaborate with UP for pro-poor and social activities. NGOs can provide list of beneficiaries and UP will then prioritise the need-based WASAN facilities to them and could avoid duplications.

Chairman, Satkapan UP, Bahubol UZP

LGSP-LIC not only helped women have a fair share in the process of decision-making including the exclusive right to decide on the allocation of about one-third of the central resources made available to a UP; they are also considered to be one of the main beneficiaries of the development that can be attributable to LGSP-LIC. Many LIC schemes have a strong focus on women. Direct grant transfers also contributed to the empowerment of women, at least up to a certain extent. They played a more pro-active role in LIC areas than in non-LIC areas, participating both in the planning, implementation and monitoring of schemes. The

number of women beneficiaries increased over the years. The following table shows that 43.6% of the beneficiaries of schemes implemented under EC-FSBG program were women. Women constituted 25% of the labour force employed to implement schemes under this grant.

Table 4.10 Nature of Benefits Women Received

Name of District	No. of UP	No. of Scheme	Total Budgeted Amount	No. of labor Engaged		Total	No. of Beneficiary		Total
				Male	Female		Male	Female	
Borguna	26	224	15388464	5549	1904	7453	102073	85719	187792
Feni	33	351	22160086	4279	1860	6139	183215	140172	323387
Habiganj	43	391	26617910	7662	3541	11203	464462	449925	914387
Narsingdi	45	488	30918940	4279	3199	7478	364370	247440	611810
Satkhira	57	518	36512773	11089	7666	18755	407029	349021	756050
Sirajganj	60	737	53201827	22681	952	23633	1277189	892957	2170146
	264	2709	184800000	55539	19122	74661	2798338	2165234	4963572

F. Capacity Building and Service Delivery

Building capacity of the UP is the primary goal of the Project. However, as observed in an earlier chapter, capacity building may mean different things and assume different forms. The Project has apparently focused on training as the main instrument of capacity building and stressed upon making the maximum use of it at different levels. LGSP-LIC provided capacity building support to eligible UPs to strengthen skills and understanding in key functional areas of the public expenditure management cycle – from financial management to accountability mechanisms. All UPs benefited from a broad awareness campaign on the SBG, which was carried out each year. This ‘information, education and communication’ (IEC) campaign focused primarily on informing the general public and UPs about the conditions of access to, individual allocations of, and use of block grants through the distribution of brochures, holding of information workshops. Each SBG eligible UP have had access to direct core training and learning-by-doing activities around the local Public Expenditure Management cycle. In addition, peer learning activities were offered in the form of field visits of selected UP members and staff to neighbouring centres of excellence or good practice (e.g. those UPs that have a demonstrated track record of sound and robust local PEM). Training was also provided by the selected capacity building service providers and all other activities were overseen by NILG with assistance from BARD, RDA.

Table 4.11 LGSP-LIC Capacity Building Approach: Modules and Areas Covered

Basic module	Key sections
1. LGSP/LIC BASIC PRINCIPLES	<ul style="list-style-type: none"> • Conditions for earning and retaining eligibility – 4 basic criteria clearly explained (bank account, staffing, financial assurance, open budget) • Conditions attached to use of block grants (planning and budgeting process, appraisal requirements, procurement procedures) • Reporting and other requirements for LGSP-LIC (quarterly reports, audits, BGCC, etc.)

Basic module	Key sections
	<ul style="list-style-type: none"> • Capacity building commitments upon entry into LGSP-LIC block grant schemes • Environmental and social screening guidelines, process and formats • Negative social and environmental attributes,
2. LOCAL PEM I: UP PLANNING AND BUDGETING MANUAL	<ul style="list-style-type: none"> • Local planning process – actors and stakeholders listing/roles • Indicative local planning calendar and process – synthesis of steps • Step by step description (including elements on public disclosure of information, open meetings, Ward functions, etc.) • Planning tools and formats (for guiding community consultations, for prioritisation, etc.) • Appraisal and screening tools (for ensuring ESMF compliance as well as other feasibility criteria [e.g. economic sustainability, O&M considerations, etc.] • Simple design and costing techniques • Participatory planning and budgeting (budget formats, disclosure requirements, etc.) • Budget approval process (open meeting, UP meeting, etc.) • Public health issues- water, sanitation, pollution • Natural resource management and conservation • Waste management • Land acquisition and compensation • Safeguarding interest and asset of vulnerable groups, indigenous population • Inclusive development process and schemes
3. LOCAL PEM II: UP IMPLEMENTATION AND FINANCIAL MANAGEMENT MANUAL	<ul style="list-style-type: none"> • Implementation actors and stakeholders – outline • Indicative implementation calendar and steps - outline • Fund flow process and requirements • Procurement procedures and formats (thresholds, procurement methods, stakeholders, etc.) • Disbursement procedures (contract management, advances, etc.) • Accounting procedures (recording transactions, book-keeping, etc.) • Reporting procedures and formats (by whom, what, how, to whom and when) • Scheme implementation arrangements (notice boards, social audit, monitoring and supervision, etc.) • Hand-over arrangements (official completion, O&M arrangements, etc.)

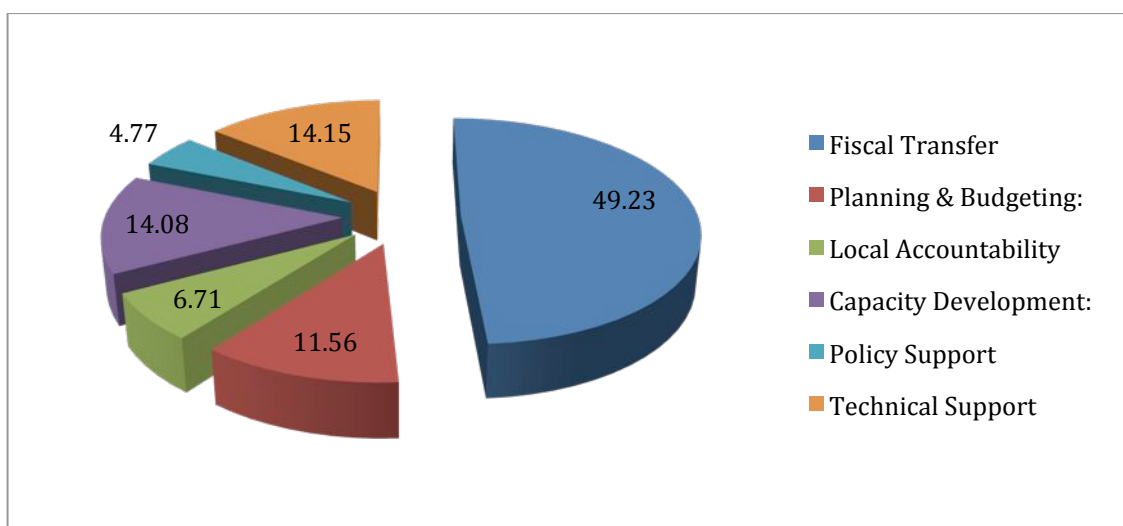
In addition to a series of classroom-type workshops (following this training curriculum), exposure visits and learning-by-doing were also used as the key capacity building tools. LIC capacity building service providers organized peer visits to some centres of excellence and facilitate the reporting by participants of the lessons learned to other UPs. Although it was expected that over the life of the project, peer learning would gradually develop into a cross-district peer review process, through which selected UP Members (coordinated by UP Association representatives) would review/assess the performance of UPs in neighbouring districts. But this has not happened in practice to the extent it was originally intended. The table below presents a picture as to how the project money was allocated.

Table 4.12: Output wise Budget Allocation of the Project (in %)

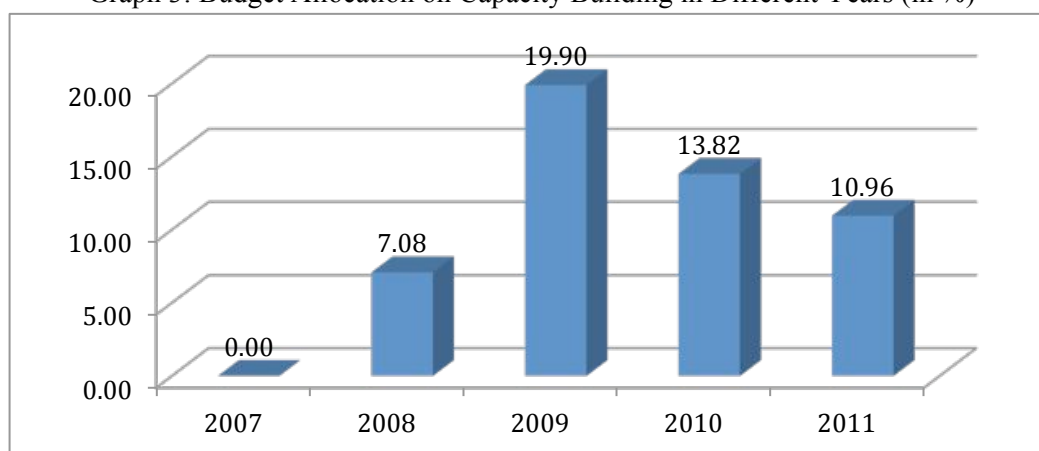
Output	2007	2008	2009	2010	2011	Total
Fiscal Transfer	88.13	55.46	52.67	46.30	41.97	49.23
Planning & Budgeting:	0.00	11.58	12.21	10.55	11.91	11.56
Local Accountability	0.00	4.34	6.44	6.72	8.92	6.71
Capacity Development:	0.00	7.08	19.90	13.82	10.96	14.08
Policy Support	11.87	3.63	2.51	5.93	7.52	4.77
Technical Support	0.00	17.90	6.27	16.68	18.72	14.15

The table shows the output wise budget allocations in percentage in various years under the project. It appears from the data that about 14 percent of the total budget was allocated to capacity building which represented second important area of focus of the project in terms of budget allocation priority.

Graph 2: Output wise Budget Allocation of the Project (in %)



Graph 3: Budget Allocation on Capacity Building in Different Years (in %)



The above graph shows the year wise percentage of total budget spent on different areas of capacity building. Under the capacity building different types of training programmes were organized for Union Parishad elected representatives, Union Parishad staff, project related staffs, government officials.

All 3,300 members of Union Facilitation Team (UFTs) persons had been mobilized and trained. UFTs took the lead role in down the line capacity building and also performed facilitation functions and these included:

- Training of committees at the local level;
- Informing community members of their rights and service delivery expectations;
- Supporting the organisation and management of key UP, WDC, UPPC, SSC, Budget and WDF meetings;
- Maintaining data on outcomes and performance criteria;
- Monitoring of performance; and
- Reporting.

All Community Committees and GoB officials at Upazila and District level that are involved in the LGSP-LIC process have been trained and sensitized. Refresher trainings are also regularly taking place. A 5-module training curriculum has been developed by the project and is being utilized in a harmonised way across all LIC UPs, covering areas of participatory planning, accountability mechanism and scheme implementation, but also basic UP functions and office management skills. The UFTs provided the capacity building support to UPs as well as organizing local level Participatory Planning sessions and revenue mobilization. Training has been provided to UFTs to impart skills in conducting training on scheme implementation, participatory planning, and technical aspects of the schemes as well as to mobilize the community. Trained UFTs conducted training for WDC, SSC and UPPC on participatory planning, scheme implementation, monitoring, and supervision, environmental and social safe guard, scheme screening, procurement policy, financial management etc. The partnership with the NILG has been covered mostly through the LGSP's training of Upazila Resource Teams (URT) through NILG master trainers that, in LIC districts, complement the work of UFTs. The schemes are being implemented by the trained WDCs with participation of community. The Scheme Supervision Committees (SSCs) are in charge of supervision and quality control.

The FE Team has verified that the Project is very much on target and is achieving all of its intended outputs on capacity building. Training has been carried out for UPs, Upazila and central government officials but not under a strategic framework for decentralisation. There are many reasons for this but one of the major ones is the absence of a clear human resources development strategy that provides clarity in the training needs. Meetings with the NILG management confirmed the absence of a strategic approach to training and capacity building. It is recommended that this be taken up under the next phase of the UPGP and UZGP projects. This would also enable the overall deconcentration of sectoral services to be taken properly into consideration.

Table 4.13: Training Programs Targeted and Held in Different Years

Year	Target	Achievement	Achievement in %
2008	2916	2485	85.22
2009	-	-	-
2010	4995	4933	98.76
2011	962	942	97.92
Total	8873	8360	94.22

The table shows that during the project period a total of 8873 training programmes were planned and 8360 training programmes were organized. If we consider the achievement against the target of arranging the training programmes then the achievement rate is 94%, which is commendable. Now given the limited time available to the FE team members it was next to impossible for them to assess the effectiveness of those training programmes organized. However, based on the information gathered from the meetings with the UP staff and elected representatives during the field trip the FE team members can confirm that most training programmes were well received and the participants were satisfied with such training. All UP elected representatives and staff alike were in favour of attending more training under the project. They informed that training programmes have helped them performing their responsibilities better than before.

The UP Secretary of Lemua Union Parishad under the Feni district suggested that “more emphasis should have been given on training under the LGSP-LIC, after the training I am more knowledgeable than before, I know how to prepare budget and how to maintain a proper office”. A women member of Satkapon Union Parishad of Hobiganj expressed her satisfaction about the training programmes she attended, she stated “there have to be more training programmes for the UP members in general and female members in particular. Most members are illiterate and they need more skill training and also other training so that they can contribute more to the community and to Union Parishad management”.

Graph 4: Achievements of targets in Arranging Training Programs in Different Years

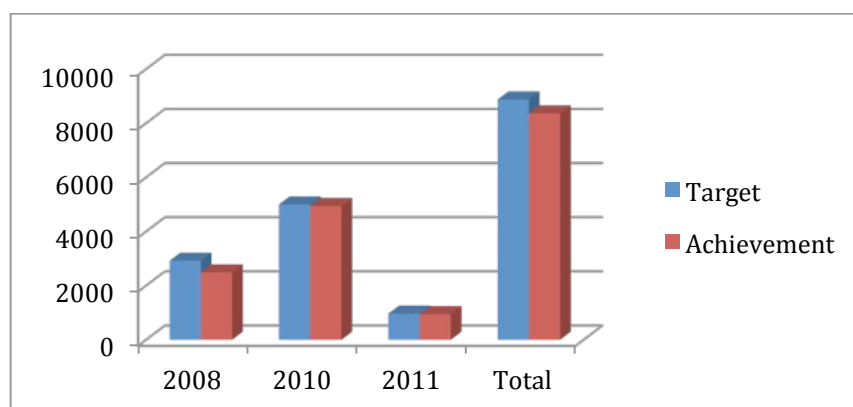
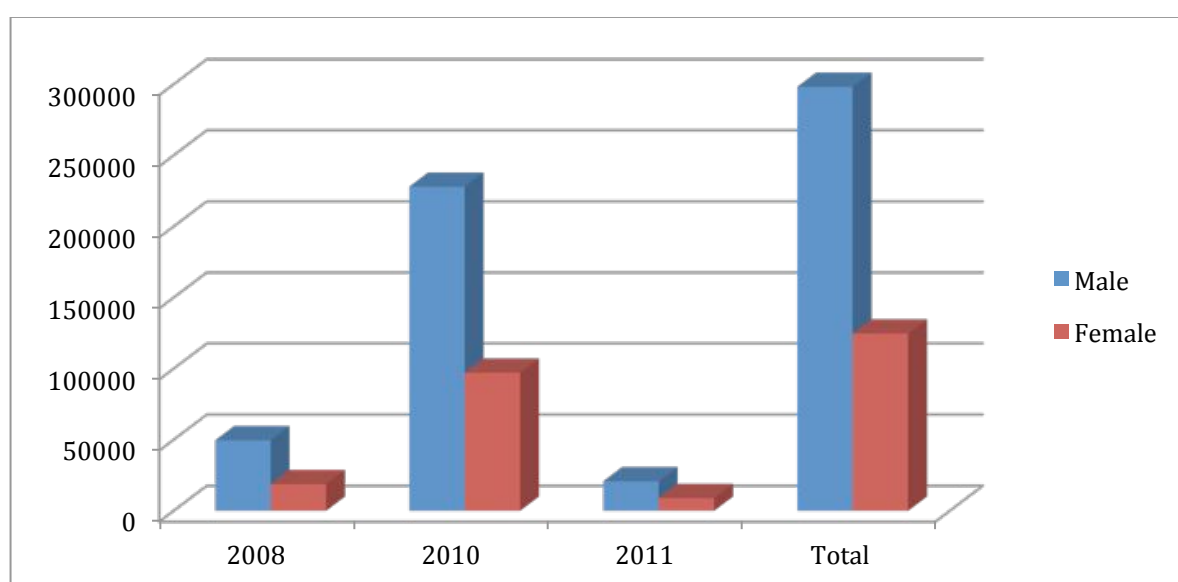


Table 4.14: Beneficiaries of the Different Types of Training Programs

Year	Male	In %	Female	In %	Total
2008	49554	73	18736	27	68290
2009	-	-	-	-	-
2010	227933	70	97072	30	325005
2011	20729	70	8898	30	29627
Total	298216	65	124706	35	422922

It appears from the above table and the graph below that a total of 42, 2922 UP, project staff and project specific government officials were given capacity development training during the life span of the project. This number would have been more if we could include the figures for the year 2009 which were not available at the time of this estimation. It is to be noted that on average every year 30% of the total participants of these training courses arranged were women.

Graph 5: Beneficiaries of the Different Types of Training Programs



The purpose of LGSP-LIC was to improve the capacity of the UPs to deliver pro-poor infrastructure and services in an effective, efficient, equitable and accountable manner. Interviews with beneficiaries at the community level would suggest that they are in general confident about the overall process involved, that the funds were properly utilized and that infrastructure and services effectively provided where none were available before the project. In the past, many capacity development efforts had been designed by external experts and offered without strategic consideration and meaningful recognition of the needs and priorities of the beneficiaries. LGSP-LIC forms an exception to this. Building on the successes of the SLGDP, LGSP-LIC made a deliberate attempt to involve as many stakeholders as possible in every step of the operational structure of the program. Under LGSP-LIC, building ownership in capacity development ensured that individuals, organizations or institutions being “capacitated” were highly involved in the process of change and wanted and understood the

changes that needed to take place as well as the resulting benefits. In UP capacity building efforts, new institutional capacities to some extent resulted in the establishment of systems and procedures for managing more effectively, generating resources, delivering services and collaborating with citizens, among others. Within the LGSP capacity building framework, UPs' capacities were seen in reference to people (elected officials, technical and administrative staff), the organization (department and staffing structure and systems), institutions (policies, mechanisms for public dialogue) and social interactions (political dynamics, processes and mechanisms for participation). Depending on the nature of the capacity development initiative and the targeted results, building ownership required the involvement of several of these entities working interdependently towards a common goal. But this has not happened as much as it was initially expected.

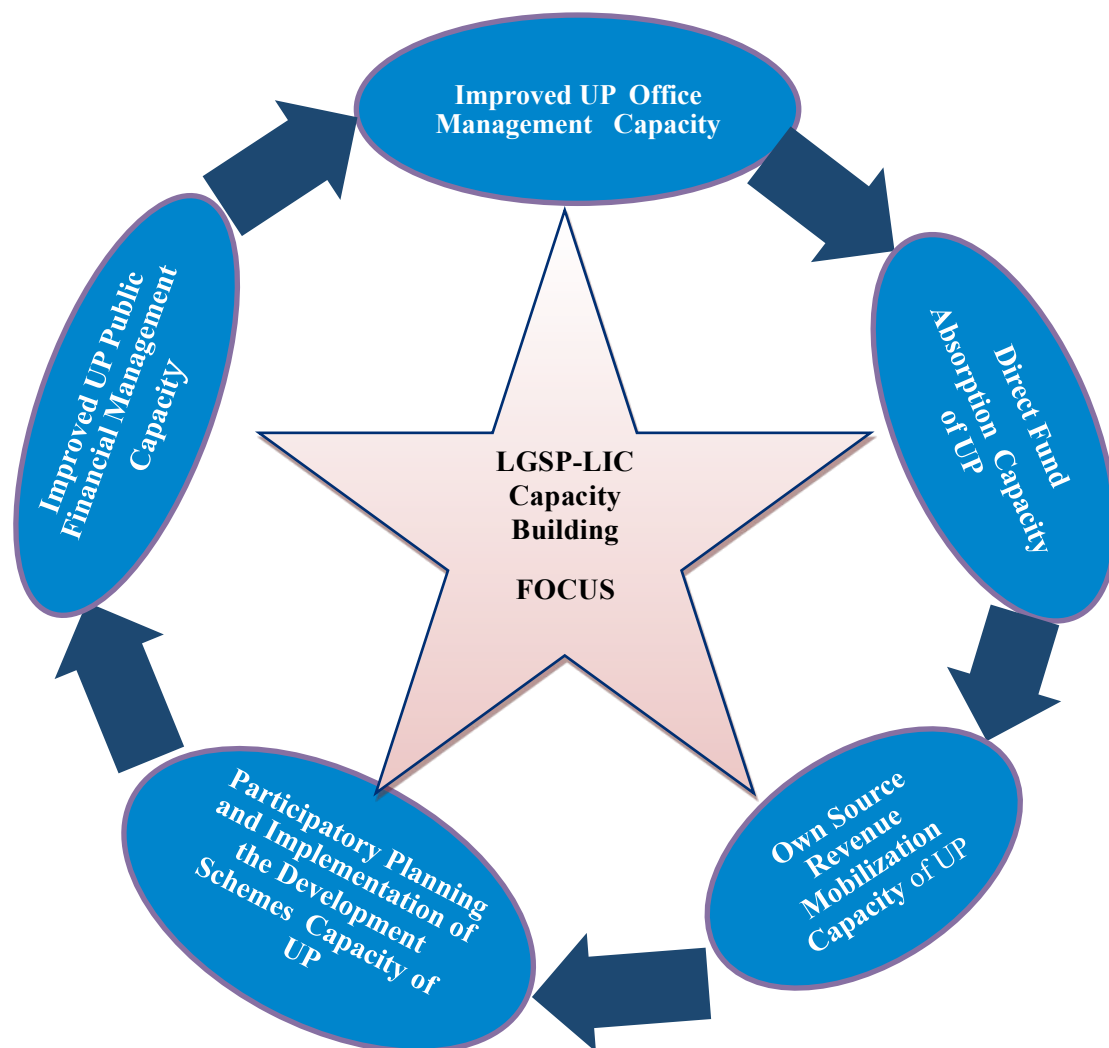


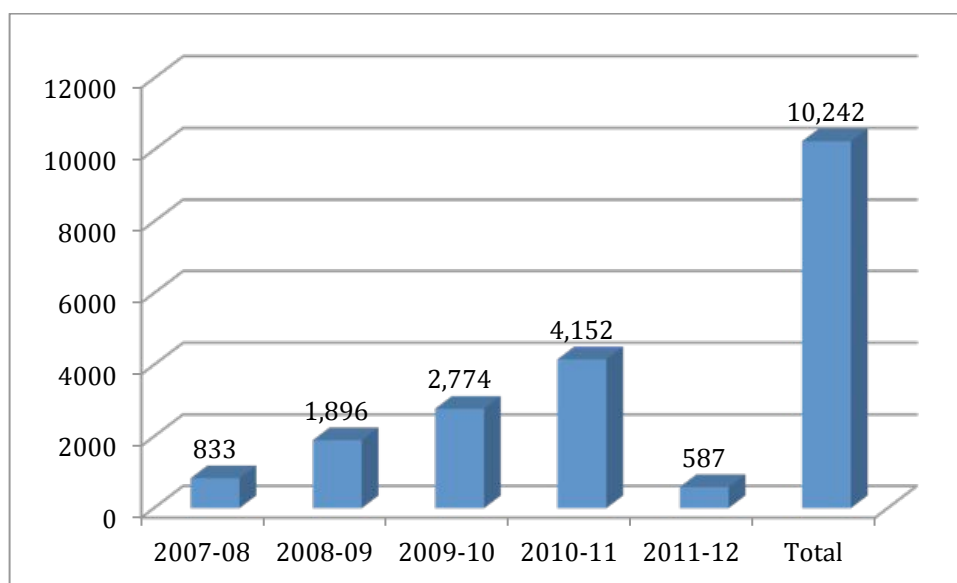
Figure 1: LGSP-LIC Capacity Building Focus

Earlier the UPs were seen as not having the capacity to utilize funds effectively on its own. UPs were heavily dependent on central government and line department funds. Under the LGSP-LIC direct block grants to UPs were introduced along the line of the first generation UNDP pilot program “SLGDP”. This program has once again demonstrated that UPs have

the absorptive capacity and that UPs can handle increased resources effectively. From the interviews during the field visits the FE team members can confirm that the Block Grants have brought greater budgetary certainty in the allocation of annual development grants as compared to routine Annual Development Plan (ADP) grants that flow through the Upazila level and not directly to UP level. The fact that UPs are given an indicative planning figure for the coming year's budget has allowed them to engage in more rational planning and budgeting and fund utilization.

Under the LGSP-LIC project, there was an incentive system for enhanced UP performance in the key financial management and accountability/transparency areas. Block grants have brought greater predictability in budgetary resources enabling rational planning and efficient utilization of funds at the UP level. These discretionary funds have for the first time empowered UPs and the communities to decide on their own priority development schemes and plan and implement them. With increased focus on financial management and proper planning the UP had to demonstrate that they were capable of managing finances as well as enhance their accountability. While the schemes were limited in size and scope and often involved earth-works/foot paths and water canals they did have secondary benefits such as easier access to health clinics and schools and benefitting the local community through ensuring their greater mobility, transportation facilities and access to markets other facilities.

Graph 6: Year-wise Implementation of Schemes



“By demonstrating the capacity of Union Parishads to openly and accountably manage resources in an efficient and effective manner, LGSP-LIC’s predecessor, SLGDP has directly contributed to a decision on the part of the GOB to directly assign block grants to Union Parishads, while the LGSP-LIC itself has resulted in the size of block grants being increased by the government in both nominal and real terms using official government statistics on inflation” (MTR, 2010). An important advantage of the block grant system is the ability of the UP to address citizens demands in an effective manner since there are few scheme rigidities and inflexibilities as is often the case in transfers from higher tiers of government. ADP funding rules, for example, included ceilings on the amount a UP could spend on

various types of development activities. These rigidities result in some schemes being selected for funding in spite of a lack of any real public demand.

Under ADP regime, differences in the practical application of the criteria based formula for fund allocation to UPs resulted in some degree of lack of uniformity and predictability of funds flow particularly-where some Upazilas may apply population and land area criteria while others may only apply population criteria. This lack of predictability in fund allocation meant that UPs were less able to engage in any medium term planning and budgeting under ADP with the result that all development activities are focused on the annual cycle where schemes were planned on an ad hoc basis with no linkage to possible forward plans. The LGSP-LIC supplementary block grant mechanism provides UPs with a substantially higher degree of autonomy than found under ADP and other special relief schemes. The block grant mechanism ensures a much greater degree of Union control over budget allocation and funds management that in turn, results in improved performance in meeting budget targets. This also helps to introduce the concept of the budget as an expenditure management tool rather than a formal exercise to trigger the release of grants from a higher level of government authority. Under the block grant mechanism there is a greater level of efficiency in development planning and spending whereby UPs are able to begin the planning process sometime in May prior to the beginning of the new financial year in July. The consequent changes in the planning and budgeting calendar for LGSP-LIC ensures that planning can proceed in a more timely and effective manner allowing for a high degree of participation, consultation and debate prior to schemes selection. This contrasts sharply with the ADP funds flow process where allocation decisions are not disclosed until October often resulting in pressure for the UP to finalize proposals and submit schemes in a matter of weeks or even days as reported in a number of instances.

Another impact of the block grant mechanism relates to the timely release of funding instalments in line with the progress of scheme works. The Final Evaluation team members gathered from the interviews during the fieldwork that in almost all cases UPs have been able to make payments to scheme implementation committees in an efficient manner. Whereas in the case of the less devolved grant system operating under ADP, under which funding authority lies with a higher tier of government, numerous instances of disruption and delay in the release of instalments were apparent, caused by unscheduled diversions or reallocations. The impact of such disruption resulted in the situation where schemes were terminated prior to completion and/ or where scheme supervision committees or contractors were forced to compromise on quality of design. A further impact of the less devolved system of funds allocation under ADP was the inability of the UP to formulate or adhere to an agreed work plan. This is especially the case where late final instalment payments forced scheme implementation teams and contractors to rush work in order to complete before the year end. Often the receipt of the final instalment coincided with the onset of the early monsoon making it difficult to complete construction work.

Table 4.15 Capacity Building and Service Delivery: Expected Output and Achievement

Output	Expected Target (as per Prodoc)	Status of Achievement (as of end 2011) (including justification of under-achievement if any)
Output-4: More effective	<ul style="list-style-type: none"> Strategy developed on LG Training, TNA procedures involving UPs, funding mechanisms, oversight, M&E and QA (2007) 	<ul style="list-style-type: none"> LIC have provided different types of training, coaching and counseling to UPs and maintain the quality through proper monitoring based on project M&E Strategy

<p>framework for capacity development support is established</p>	<ul style="list-style-type: none"> • Strategic plan for capacity enhancement of NILG (2007) • Xx NILG and DLG staff with skills and experiences in HRD for autonomous LGs (2007+) • Xx Standard training modules reviewed and improved as appropriate for TOT delivery and responding to LG demands • Procedures developed and implemented for UP demand led training funded through share of block grant (2008) • UPs plan and budget for training and other capacity building (xx UPs implement own funded capacity building 2008+) <ul style="list-style-type: none"> • Training evaluation mechanisms developed and implemented (2008+) 	<ul style="list-style-type: none"> • LIC have provided some demand driven training to UP including TOT to UFT members and Master Trainer. • 100% (3492)WDC, 100% (388)UPPC and 100% (3492)SSC trained on how to organized the ward level participatory planning at ward level • 100% (3492) WDC, 100% (388) UPPC and 100% (3492) SSC trained on how to ensure the quality of implementation through monitoring and supervision.
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G. Policy Development

The LGSP-LIC project has some notable success in influencing the decision of the government to give serious considerations to the innovations it has made so far. The Local government (Union Parishad) (Amendment) Act of 2009 has included some of LGDSP-LIC innovations for implementation on a nation-wide scale. Thus many issues that until recently remained at the experimental stage has now been officially acknowledged. Legal measures needed to ensure an efficient and effective implementation of the project have already been prepared and used by the UP. The project has helped facilitate the preparation of rules and regulations aimed at implementing the 2009 UP Act. Table 4.16 below provides a summary account of the achievements in respect of policy development.

Table 4.16 Expected Policy Output and Achievement

<p>Output-5: Policy development is informed by lessons of programme implementation</p>	<ul style="list-style-type: none"> • Block grant regulations (2007), • UP Procurement Regulations 2007), • Research findings on UP block grant funding (2007+) • Proposals for refined policy, legal and regulatory framework for UPs (2008+) • Gender strategy for LG • Adequate LGD/MIE database on Xx% of UPs • Establish knowledge networking with UNDP regional centres 	<ul style="list-style-type: none"> • Performance Based Block Grant regulation have been finalized and endorsed by LGD. • Drafted and distributed the LIC Operational Manual based on Public Procurement Rules-2009 (PPR-2009). • Gender Policy Strategy for Women UP members (Reserve Seat) have been developed and submitted to LGD. • UP Rules and Regulations developed based on UP Act-2009 which is facilitated by LIC. • Drafted Model Tax Schedule-2011 and established knowledge based networking with LGI and other concerned
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Chapter 5 Assessing the LGSP-LIC Performance

The LGSP-LIC, as a whole, is considered to be a success. The Project has done well in developing local capacities (UP and local communities to some extent) in the area of participatory local needs assessment and prioritization, transparent resources allocation, scheme design and implementation, and financial accountability. It has introduced several innovations which can be replicated on a nation-wide scale. LGSP-LIC represents a serious and much awaited institutional attempt to address the structural weaknesses in the system of local governance in the rural areas that are claimed to be elitist (dominated by the traditional rural power structure), exclusionary (decision-making is devoid of direct participation by the community), anti-developmental (corruption-prone and wasteful) and anti-poor (benefits are not only usurped by the non-poor but also often damaging to the interests of the poor) in both process and development outcome (Shahabuddin et. al., 2011: 45). The UPs can be incentivized to become more fiscally responsible to generate both its own revenues and be more accountable in its spending behaviour (Shahabuddin et. al., : 45).

There are clear indications that LIC-UPs perform better than non-LIC UPs in almost every respect. It was informed by different stakeholders during the field visits that the Performance-Based Grant System introduced under the LIC significantly contributed to this upward trend of improvement on all important structural and functional areas of UPs. When the average overall scores of LIC and Non-LIC UPs on 5 indicators are compared, it appears that LIC UPs combined with a total average score of 69.2 are performing significantly better than the Non-LIC UPs with a total average score of 43.8. None of the respondents were denying the fact that the MC/PM system has a very strong impact on the UPs performance and incentives to improve. It has installed a good competitive sense, and a wish to improve in the defined areas. It has led to improvements areas such as PFM including record keeping, involvement of women and own source revenue mobilization.

Table 5.1: Average Score of LIC and Non-LIC UPs on Different Areas of UP Operation

Areas	Total Score (Maximum)	Average Score		
		LIC Average		Non-LIC Average
		2007	2011	
Union Parishad Operation and Committees	25	14.3	20.3	15.4
Gender Performance	12	6.3	10.8	6.8
Fiscal Performance and Capacity	20	12.2	12.2	6.2
Planning, Budgeting and Financial Performance	25	10.8	18.0	11.4
Transparency, Accountability and Communication	18	8.8	7.8	4.0
Total	100	52.4	69.2	43.8

Source: Steffensen, Monem and Hossain (2011).

Furthermore, the process followed by UPs in the programming and implementation of schemes has had positive impact on improving local capacity and good governance practices – to the extent that participation and openness of processes advocated by LIC. LIC has:

- contributed to fostering community confidence in UP capacity to deliver local services, and demonstrated to national authorities that UPs can perform effectively when provided with the proper support and supervision;
- Enhanced accountability of local elected officials and staff to their constituency, and to some extent
- Improved relationship between the different tiers of government (central government, Zila, Upazila and UP).

Table 5.2 Summary of LGSP-LIC Contribution to Important Areas of UP Capacity Building

AREAS	LGSP-LIC HAS HELPED THE UPs to ACHIEVE THE FOLLOWING	WHAT YET TO BE ACHIEVED
Local leadership development	• Ability to lead, manage and make decisions	<ul style="list-style-type: none"> • Ability to coordinate effectively with other tiers of local government • Ability to build partnerships and networks with NGOs and other local service organizations
	• Ability to obtain planning, budgeting resource mobilization and allocation skills	
	• Ability to Implement development schemes with the active involvement of members of the local community	
Financial management	• Ability or organize open budget meetings	<ul style="list-style-type: none"> • Ability to prepare financial plans • Ability to provide maintain audit • Ability to prepare financial reports
	• Ability to monitor disbursement of funds	
	• Ability to mobilize financial resources	
	• Ability to keep, update and manage financial management records	
Office and Human resources management	• Ability to maintain office norms and administration	<ul style="list-style-type: none"> • Ability to assess training needs • Ability to hire personnel • Ability to train others • Ability to assess technical skills
	• Ability to maintain officials records and Update	
	• Ability to maintain transparency in the activities performed	
	• Ability to motivate and get commitment from others	
	• Skills in diagnosing underlying problems.	
Project planning and management	• Ability to meet project deadlines	<ul style="list-style-type: none"> • Ability to understand the strategic intent of the programmes
	• Ability to maintain coordination	
	• Ability to manage the project staff, money, materials and time	
	• Ability to complete the project work within the specified budgetary limits	
	• Ability to convince the stakeholders	
	• Ability to maintain consensus over the programme priorities	
Good governance	• Ability to apply good governance norms such as rule of law, transparency and accountability	<ul style="list-style-type: none"> • Ability to grasp information about ongoing policies and legal framework that guides management of the local
	• Ability to promote community-led	

	development	government bodies
	<ul style="list-style-type: none"> Ability to strengthen the role of local government bodies. 	
Integration of cross-cutting issues	<ul style="list-style-type: none"> Ability to integrate gender, human rights, environment and private sector development concepts into the development plans and programs. 	
Technical support	<ul style="list-style-type: none"> Ability to deal with infrastructure development activities. 	
Conflict Resolution	<ul style="list-style-type: none"> Ability to facilitate negotiations 	<ul style="list-style-type: none"> Through 'Gram adalat'.

Source: Based on field work in connection with the LGSP-LIC Final Evaluation, 2011

The above observations, however, do not imply that all of what LGSP-LIC has done is unique. Several limitations characterize the working (and impact) of the project. Even in the area of resource mobilization where the project has had apparently the greatest success, several deficiencies can still be noticed.

Inadequate Resource Mobilization: The nature of improvement in the area of local resource mobilization was less than satisfactory. Incentivizing the UP through providing central grants does not appear to have much significant impact on the mobilization of resources at the local level. Some of the UPs were hit by external factors, which had undermined their efforts despite stronger incentives, and that the Project has faced some systemic and UP specific challenges:

- First, the lack of sufficient staff, particularly in core functions such as financial management, M&E and planning and project implementation. This is restraining the UP performance in those areas, and there is an urgent need to ensure at least a staffing position on accounting/M&E/IT and in technical support (assistance engineer). The present system with only a secretary is not deemed sustainable compared with the local tasks at hand.
- Second, UPs should be allowed to spend a certain amount on investment – related servicing costs (planning, engineering etc.) as lack of funding for these important key functions is detrimental to efficient design and implementation of schemes.
- Third, communication about the performance system could be improved; if this to happen, and if the funding flows and timeliness of the assessments could be strengthened, there is room for even stronger impact of the PBGS incentives on UP performance improvement especially in the areas of planning and public financial management.
- Fourth, in a number of UPs, specific challenges such as flooding, draught etc. had adverse impact of the overall UP performance.
- Finally, it should be noted that although the system of MC has been running for four years, the more qualitative performance measures (PM) and the genuine performance grant scheme was just introduced in FY 2010-11. Therefore, with additional rounds, and with adjustment to the performance indicators, we can expect further improvements in UP performance.
- The current system only has one indicator on transparency and accountability – “production of notice boards for previous schemes”- . This may be amongst the

reasons for the relatively poor performance of the UPs in this crucial area, an area for which the incentives in the PBGS have not been sufficiently relevant.

Overall, while the project has helped increase the spending ability for the UP, its revenue generation capacity has registered only a modest growth. Part of the problems lies in the incentive structure whereby greater taxing ability of the local government was probably compromised by electoral considerations (Shahabuddin et. al., 48).

Fiduciary Risks: The risks are as follows:

- There is a potential internal control flaw in the UP financial management system: the Secretary is holding incompatible functions, being involved in the procurement, payment and accounting tasks; also the whole UP administrative apparatus is dependent on the diligence and availability of the Secretary;
- There is also a risk of overlapping (mis) use of resources from different sources (EBG, SBG, REOPA) to the extent that the same investment could be ‘charged’ to more than one funding source. The lack of proper monitoring and the reporting arrangements (reporting to each funding agency separately and not through a UP consolidated report) are factors aggravating this risk.
- Furthermore, there is a serious risk that a long-term dependence on the central government may make the UP not only vulnerable to central influence; it is likely to act as a disincentive to raising resources locally and a constraint to encouraging local ownership, both of which can be seen as major impediments to the growth and development of local self-government. For encouraging ownership, there is an urgent need for introducing in the law the provision for matching grants, or revenue sharing or the rearrangement of the existing revenue sharing system, none of which is likely to be achieved in the short run. This may pose some kind of risks in the future.

One-dimensional Definition of Capacity Building: The capacity development system has some shortcomings:

- Capacity building was focused mostly on training of individuals (UP members and Secretary as well as community-based committees) on the planning and implementation of local small infrastructure schemes;
- The Project has contributed very little to the building of UP capacity to become a collective institution of genuine local government; and to some extent, UP could be seen as being an ‘intermediary’ between the funds providers (GoB, Projects) and local communities (supposedly represented by WDC);
- UP does not do any procurement or implementation by itself: so, no institutional capacity for procurement or implementation is being built into the UP institution;
- For all these reasons, and considering the lack of human resources, sustainability of capacity already built may be at jeopardy because it is not institutionalized (grounded in a genuine local administrative structure); capacity is diffuse - being built within WDC and SSC members whose membership is subject to change;
- As a result, as mentioned elsewhere in this report, there is no UP-wise genuine planning (based on shared UP development vision): the UP “plan” is merely an aggregation of scheme proposals selected by the WDCs;

- Also, there is not consolidation of different funding sources accruing to UP for planning-budgeting purpose; instead, planning is done separately for each funding source; and as a result, there is no harmonized (unified) financial management: each funding source requiring “insulation” from the others, and hence the use of multiple bank accounts and accounting records as well as multiple reporting and monitoring (with the risk of burdening UP limited management capacity, redundancy, duplication).

Restricted Notion of Accountability: Deficit could be found in the areas of accountability and transparency. While the logic of organizing open budget meetings by the UP is quite straightforward, i.e. to encourage public consultation on the budget, the extent to which it can help perfect the budgetary process is difficult to ascertain. The format in which the budget is presented to the public is defective. Nor can the budget meeting be considered as a real success. In fact, the extent to which it can be seen as a cultural event or an event for deliberating over issues of policy significance is difficult to ascertain. Budget meetings are organized in pomp and in a grandeur manner. People may thus be attracted more to have a fun than to contribute in any significant manner to the annual financial statement of the UP. Moreover, poverty and illiteracy often discourage many people from attending budget meetings. Political pressure and local ruling party intervention cannot also be seen as uncommon. However, the introduction of minimum conditions and performance-based assessments (with financial repercussions) may be seen as a step towards establishing a greater degree of upward accountability on the part of UPs.

The provision for public display of the signboards is nothing new. Nor can the issue of informing the public about the tax proposals be seen as an innovation of LIC. Both provisions have existed for a long time. Local government legislation in the past required that all taxes, rates, tolls and fees levied by the UP be notified in the prescribed manner and should, unless otherwise dictated by the government, be subject to previous publication. Anyone who was not satisfied with the taxation policies of the local council could appeal to the higher authorities, requesting change or modification. Public display of details of a project in a project site board could be found in the past. What, however, makes the LIC approach an innovative one is the mandatory requirement for it. Some UPs also kept an “open book” at project sites so that people passing through the schemes can make comment on the implementation of schemes. Besides making the UP more accountable for its activities, this system of public display of project details and open book is likely to produce some positive benefits such as creating awareness among contractors to implement the project with as much caution as possible, ensuring quality implementation of schemes, creating a sense of ownership among the villagers and increasing confidence of the people in the system because of its transparency (Dash and Ahmed: 24). The main weaknesses are: not all people are interested in writing their comments, nor are many people aware of the open book. More importantly, the system cannot be expected to have a major impact in a country where the number of people who can read and write is still very low.

Procedural Constraints: An important procedural issue – release of funds – also has some important implications. Late disbursement of the grant funds (the second installment is often released towards the end of the fiscal year) disrupts the proper planning of procurement and completion of schemes in due time, and in some cases, may have negatively impacted on the quality of scheme design and implementation (as WDC become under pressure to complete all procurement steps in a short time often during the rainy season, with the risk of flawed

process⁴). It was reported that WDC incur arrears by requesting contractors and suppliers to wait for payment until the grant proceeds are released by LGD; such practice may lead to higher scheme cost and possible collusion because the creditors (contractors) might be inclined to factor differed payment into bid value. Evidence from the field assessment suggests that the LGD policy of releasing the grant funds to all UPs at the same time was the reason behind the delayed disbursement (because some UPs were late in submitting proper documentation required for the release of funds) – hence, the disbursement arrangements ended up penalizing compliant UPs! An alternative arrangement would consist of releasing the funds to UPs individually as they submit required documentation. Late disbursement can be also attributed to bottleneck at the bank offices in charge of funds transfers (SONALI) which are often overstretched to complete transfer transactions swiftly. Increasing the number of banks entitled to handle fiscal transfers to UPs would have addressed this problem.

Limits of Participation: Participation in the planning, implementation and monitoring could be easily noticed; there, however, remains some doubt about the extent to which project helped ensure participation in evaluation and benefits. It is often argued that benefits accrued from the implementation of projects disproportionately benefit different groups of people, with people remaining at below the poverty line receiving less benefit than their rich neighbours. Moreover, there does not exist any exact figure about the number of people participating in different events. In other words, what percentage of people actually attended meetings of different forums innovated by the project remained shrouded with mystery. Rough estimates show that at most one-third of the total population attends meetings, implying that more people still prefer to stay at home or do other activities. In other words, the majority of people in the locality do not feel it important to participate in UP activities.

Part of the reasons can be attributed to the marginal role of the UP in the process of local governance. The project has enormous success in building infrastructure but little success in providing many important services that the people need more because of its lack of permissive powers to provide such services than for its deliberate lapse. The responsibility for providing the main services people need still rests with representative of different line agencies working at the Union level. Relation between the two – UP and line agencies – will be explored in a subsequent chapter.

Loophole in Policy: An important drawback of the LIC policy is that in its quest to ensure equitable distribution of resources among different UPs, using population as the only criterion, was itself prone to cause inequalities. Some respondents raised this issue in conversation with the evaluation team. The policy did not take into consideration variations in resource base and level of development of different UPs. There is thus a risk that a developed UP may move forward at a much faster rate than an undeveloped one which lack resources and other facilities. The latter is also less likely to qualify for those grants that are allocated on the basis of performance because of undeveloped base conditions. What is needed most is to undertake a baseline study exploring different dimensions of development in each UP and use such ranking as one of the important criteria for deciding on the allocation of resources. It is thus likely to be more equitable than the existing one.

⁴ Such risk is however limited according to some UP officials because schemes are simple in design and implementation.

Chapter 6 Summary of the Evaluation Findings

This chapter provides a summary of the findings in the light of the main issues raised in the TOR - efficiency, effectiveness, outcome, relevance, MDGs and sustainability.

Efficiency of Implementation

The Project has been implemented in a cost-effective manner and has advocated cost-effective systems of delivering local services:

- External inputs have been limited to a few project temporary positions, mainly short-term social mobilization and technical facilitation (District Facilitators and Union Facilitation Teams); and many of these positions are Government-funded;
- No salary supplements is paid to civil servants; the only exception to this is the travel costs and equipment (motorcycles) of some government officials (UCOs) to enable them to provide field support to UPs.
- Use of expatriate personnel has been kept to minimum; the majority of technical support is delivered by national experts and consultants;
- The Project has encouraged through technical guidance the use of local labour-based construction techniques,
- It has also advocated participation and use of local people expertise in the implementation of schemes (SSC) – ensuring quality of works and reduced costs (community contracting is the primary method involved with very limited use of machinery and external technical inputs); yet, efficiency in cost and implementation can be compromised by the multiplicity of involved stakeholders (wide participation and checks and balance vs. efficiency).

Effectiveness

The Project has been effective in the following areas:

- UPs and their different governance structures (UPPC, WDC, SSC) have performed their assigned tasks in a satisfactory manner, in particular, managing their financial resources responsively while involving as much as possible of the local communities in the identification and prioritization of local development initiatives as well as in their implementation;
- Yet, although it is not possible to evaluate with certainty the number of people who have benefited from the schemes implemented by the UPs during the project life span, evidence from documentation and field visits suggests that the schemes, because they are identified, prioritized and implemented at the very local level (WDC), have positive impact on the living conditions of surrounding communities (better access to services);
- Also, the governance systems (participatory planning, open budget meetings as well as the active involvement of increased number of people in the implementation of UP activities, formalized management processes and procedures) contributed to improving the design and implementation of good quality local infrastructure schemes while complying with established social and environmental standards;

- Labour-intensive investment lead to employment generation and local businesses development, and, to some extent, to poverty reduction;
- Increased participation and empowerment of local communities in the local decision-making processes (ward planning, budget and scheme supervision meetings in particular) have raised the level of transparency and accountability on the part of elected officials, and as a result, UPs regained the trust of the community;
- Overall, the Project has contributed to substantially improving the capacity of UPs in terms of responsive planning, scheme design and implementation, financial discipline, transparency of decisions and acts, and interaction with local communities.
- Another way to appreciate the Project's effectiveness is to assess to which extent it has had an impact on the changes or improvement of the national policies and operational systems in respect of the development of the local government sector.
- The key arrangements applied under LGSP-LIC regarding the discretionary nature of the Supplementary Block Grants and the way they are planned and used by UPs (participatory planning and budgeting, involvement of local communities in the implementation of schemes, performance assessment..) have been partially scaled up nationwide under the LGSP, and are expected to be adopted by its successor (LGSP II);
- The Supplementary Block Grants experiment stimulated an increase of fiscal transfers (block grants) from the central government to all UPs
- The harmonized operational manual (LGSP and LIC) was approved and implemented throughout the country since 2009: The manual includes the rules and procedures dealing with participatory planning and budgeting, eligibility criteria, transparency and accountability framework, formula for the Block Grants, procurement and scheme implementation, financial management and reporting as well as the monitoring and supervision of UPs;
- Also, the Project had some impact on the development of the local government policy and legal framework to the extent that the (UP) Local Government Act - 2009 adopted some of the features and innovations of the LIC.

Outcome

- The supplementary block grants (SBG) mechanism and the systems and processes advocated by the Project did contribute to improve UP capacity for effective and accountable delivery of local infrastructure and services: more than 10,000 schemes were implemented with active participation of local communities in the processes of need identification and prioritization, open budgeting and implementation of schemes.

Furthermore, the Project has contributed to:

- Improving the image of UP and by the same token consolidated the local governance system through transparency, participation, open budget, and non partisan processes - compared to some other funding programmes which are seen as rather politicized;
- Promoting local democracy and building social capital at grassroots level (sense of togetherness and common interest) to the extent that local communities learnt how to work together and how to relate positively to their elected officials
- Reducing opportunities for funds leakage and corruption and as a result to implementation transaction costs.

The Project also had some pro-poor outcomes, to be categorized as policy orientation, planning outcomes and production and management outcomes. In its overall configuration, LGSP-LIC is explicitly designed to be pro-poor by:

- being limited to support in rural areas where the largest number of the Bangladeshi poor live; and
- earmarking funds for women- who are generally the poorest people.

The importance of planning outcomes can be gauged from the following:

- The range of micro-projects funded through LIC has been considerable – and is (by all accounts) more diversified than the usual investment LG portfolio. This tends to indicate a greater degree of inclusiveness in the planning process. Altogether, 10242 micro-projects have been planned under LIC – and include items such as roads, schools, irrigation schemes, water supply systems, biogas toilets. Such investments are potentially capable of having a pro-poor impact.

However, not much impact could be noticed in respect of achieving other pro-poor results. The pro-poor impact of schemes could be difficult to measure. It is really hard to ascertain the exact number of local people who benefited from the schemes developed by the UPs thanks to LIC funding although the Project management argue that more than 8 million citizens have benefited from the schemes. As noted in the MTR, this figure cannot not be verified with full certainty and it is likely that it is inflated or simply a calculation of the actual population in the concerned UPs. Also, it may prove difficult to assess to what extent the infrastructure and services delivered by UPs are pro-poor given the data limitations, although facts on the ground show that the impact of these small, mostly earthwork schemes could have an indirect, yet, positive impact on the access to other local services (roads and footpaths give better access to markets, schools, health facilities and so on).

MDGs

The target of achieving the MDGs remains problematic to some extent. The project has significantly contributed to the achievement of MDGs 1, 2, 3 and indirectly contributed to goals 4, 5 and 7. Part of the reasons for limited success in some areas stems from the preconditions set by one donor (EC) to utilize its money for employment generating activities (e.g., earth works). The last year’s allocation – TBG- was particularly targeted to achieving different MDG-related goals.

Table 6.1: Contribution of the LGSP-LIC to Achieving MDGs

Contribution of the LGSP-LIC to the MDGs	
MDG	Contribution
MDG1: Eradicate extreme poverty and hunger	The strategies adopted for involving para level people in planning process may be said to provide the poor with greater access to resources – particularly the block grants -- though this cannot be empirically demonstrated at present. Off-season labour-based public works have ensured income for the poorer members of

Contribution of the LGSP-LIC to the MDGs	
MDG	Contribution
	targeted communities although the impact on incomes is not tracked.
MDG2: Achieve universal primary education	Although access to health care and education facilities may have, in a few instances been facilitated through the construction of small roads or paths with the use of block grants, there is no way of reliably assessing the effects on school enrolment or attendance or on health outcomes. The contribution of the project has therefore been negligible to none.
MDG3: Promote gender equality and empower women	<p>The Ward Development Forum (WDF) has been established in all Upazilas of LGSP-LIC districts comprising one chairperson, one panel chairperson, one secretary and remaining other female members of each union as executive members of the forum. The forum has played an important role in facilitating the participation of women members in the local government administration and to assist the UP in the empowerment of the underprivileged, as well as women.</p> <p>The WDF shows signs of being an effective mechanism for advocacy and has raised awareness of the rights of women in certain limited areas such as child marriage and provided women leaders with added confidence to assert their priorities in resource allocation. Empirical measures of actual impact are not yet in place.</p> <p>30% of supplementary block grants in LIC areas are dedicated to the needs of women as do 30% of the schemes approved for implementation. It is unclear how this is being implemented in practice as many of the projects approved can be said to benefit women among other members of the community. WDCs also place women in leadership roles on a regular basis and there are quotas set aside for the participation of women in key UP committees such as WDCs.</p>
MDG4: Reduce child poverty	Success in realizing goal 1 is likely to have some impact on achieving MDG4.
MDG 5: Improve maternal health	It is difficult to make any direct observation. However, some schemes undertaken with TBG have the potential to help achieve this goal, at least partially. Women members of different forums were seen to be taking active interest in realizing this goal.
MDG 6: Combat HIV/AIDS, malaria and other diseases	None
MDG 7: Ensure environmental sustainability	Environmental screening of projects in UPPC. (However, not clear how this is done)
MDG 8: Develop a global partnership for development	N/A

Soucre: Pillay, R. et. al., (2010).

Sustainability

Sustainability of results will largely depend upon future commitment to decentralization. At the moment, there is no major sign of government agreeing to decentralize powers and functions to the local level, particularly to the UP. However, the decision of the government to include some of LIC innovations in the 2009 UP Act implies that there is still some hope for the sustainability of the LIC principles. In principle the grant system piloted under LIC (adding to EBG) can be considered as financially sustainable in the framework of the government public finance structure.

- It can be reasonably argued that the level of funding provided to UPs under the Project (EBG + SBG) can be sustained and scaled up nationwide; and, indeed, the “philosophy” and level of funding tested by the Project did contribute to shaping the fiscal transfers system adopted by the Government in the upcoming LGSP II (with financial contribution from the World Bank); hence, ensuring sustainability of the grant system and related institutions beyond the duration of the LGSP-LIC project itself is feasible;
- The following simulation shows that an increased level of fiscal transfers for UPs can be sustained and does not constitute a heavy burden on the public finance system:

Table 6.2 Government Contribution to UP Fiscal Transfer System

Simulation: GoB Contribution to UP Fiscal Transfers System						
(Figures in Million Tk)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	(actual)	(Budget)	(Projections)			
GoB Budget Revenue	758,900	951,900	1,183,900	1,376,300	1,639,500	1,953,100
Average Grant / UP - Assumption 1	1.30	1.40	1.50	1.60	1.70	1.80
Number of UP	4,500	4,500	4,500	4,500	4,500	4,500
Total Grant	5,850	6,300	6,750	7,200	7,650	8,100
Total Grant (as % GoB Revenue)	0.77%	0.66%	0.57%	0.52%	0.47%	0.41%
UP Grant: % of Revenue - Assumption 2	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
UP Grant: Amount	5,312	6,663	8,287	9,634	11,477	13,672
Average Grant/UP	1.18	1.48	1.84	2.14	2.55	3.04
Source (State Revenues): MTEF, Ministry of Finance						

Assumption 1: If the grants were to be maintained at the level planned in the LGSP II, the fiscal transfers targeting UPs will amount to less than 0.5% of total government revenues (a very low burden by international standards).

Assumption 2: If the GoB budget contribution to the UP fiscal transfers system is set to 0.7% of national budget revenues (still a low level by international standards), the average grant per UP can reach 3 million TK in (2014-15).

Relevance

The project is relevant. A European Commission study explained the relevance of the project in the following way: “Its (LIC) relevance was arguably strengthened by the UP elections in mid-2011 which led to numerous ne UP Chairmen being elected, with the new pro-poor cohort regarded as more open to change ... The Log frame (LF) is broadly coherent – with a wide range of activities across five result areas contributing to a Project Purpose (PP) of improved UP capacity for effective, efficient, equitable and accountable delivery of pro-poor infrastructure and services” (EC, 2011: 3). If the notion of relevance is defined in terms of public support for it, LGSP-LIC should score well. The main test for relevance, argues a BIDS study, is not whether a given project is consistent with the plan objective of the government, but how the project is perceived in the “eyes of the people” at the end (Shahabuddin: 41). LIC has received a high rate of popular endorsement probably for the main reason that it does not tax, rather it provides benefit to the people; hence it is considered to be relevant.

Chapter 7 Conclusion and Recommendations

The following are the key recommendations that arise from the findings discussed above

- (1) The Project aimed at deepening and consolidating the innovations introduced initially under the SLGDP; obviously, most of the mechanisms and processes developed and tested under the LIC arrangements proved to be effective, viable, and can be institutionalized nationwide; and indeed, the design of the LGSP II has already benefited from the lessons learnt from LIC Project, and adopted some of its features. Also, the Project has demonstrated that UPs, if provided with adequate support, can manage increased financial resources and use them for delivering local infrastructure in a responsive, accountable manner.
- (2) The performance-based grants are highly appreciated by all local stakeholders because they are predictable, directly accessible (without transiting by Upazila reducing the risk of delay and leakage as well as transaction costs), enabled UPs to deliver more than 10,000 basic infrastructure schemes, and motivating them to improve their performance in applying good governance practices in the management of public resources and responding to people's needs – contributing to enhance UP legitimacy as a local governance institution.
- (3) The Project has to a large extent successfully demonstrated the feasibility and viability of a degree of fiscal decentralization to the Union Parishad level and has created a space for national policy changes as attested by the enactment of the LG Act in 2009, and the scaling up nationwide (LGSP and LGSP II) of the funding modalities of the Project.
- (4) Infrastructure schemes funded from the Project grants contributed to improving to some extent the living conditions of local communities as construction of rural roads and paths did facilitate communication and access to other services such as schools and health facilities or markets; also, UP investment did provide employment and business opportunities for local manpower and contractors.
- (5) The above achievements could be taken a step further in the future if the Government were to engage a comprehensive national decentralization policy - to be built around the following pillars: (i) Architecture of the decentralization system (tiers of local government); (ii) Development of a legal framework for the establishment and functioning of local governments; (iii) Clear definition of the role and functions of each level of government; (iv) Assignment of revenue sources to each tier of local government (both own-source revenue and fiscal transfers) commensurate with the scope of their respective assigned functions; (v) Assignment of adequate human and other resource to each level of government to enable them function effectively; (vi) Design and deployment of a national programme to develop institutional and technical capacities of local governments; and (vii) Assignment of clear responsibilities for driving the policy and overseeing its implementation to a dedicated government agency within a clearly defined timeframe.
- (6) Meanwhile, and until such policy is agreed and implemented and building on the experience gained under SLGSP and LGSP-LIC, there are room for further improvements to the local government system, including for instance:

- Enabling Union Parishads to fulfill their mandates under the Local Government Act 2009, and in particular, in respect of the provision of sectoral services in the areas of agriculture, education and health (piloting sectoral block grants)
- Developing and applying a mechanism to monitor and measure the UP performance in targeting the poor and vulnerable communities.
- Developing innovative funding mechanisms for UP capacity building in the areas of generic local good governance and technical skills for effective planning and delivery of sectoral services

Recommendations:

Reforming the Planning System

(a) The evaluation team recommends to reform the UP planning system along the following proposals:

- Adopting a more *strategic planning approach* by moving from the current scheme-based programming process, separately for each funding source, to a UP-wise programming of consolidated resources, in the framework of a UP-wide *development vision* (to be shared by all UP members);
- Subsequently, UP resources are to be programmed based on *UP-wide mapping and prioritization of local infrastructure and services needs* which may not lead necessarily to implementing schemes in every ward in every FY;
- At the institutional level, the UPPC could be restructured to become a genuine committee of the UP, composed of UP members, and including the UP Secretary as well as non UP participants (representative of some UP level line agencies as well as local notables);
- Also, there may be room to establishing, at Upazila level, a mechanism for coordinating UP investment and line agencies and eventually NGO activities: this can be in the form of an annual coordination forum (**UP Development Forum**) including all UP chairmen, Upazila-based line office heads and NGOs – to be chaired by the Upazila Nirbahi Officer (UNO) for instance. The purpose of the annual forum is to coordinate the annual programming –budgeting process and avoid overlapping or duplication of interventions to the extent that some of the needs identified during the UP planning could be picked up by Line agencies or NGOs.

Diversifying Scheme Types

It seems that UPs did not get proper guidance on how to diversify and expand the scope of investments to implement, for instance, sectoral service-oriented schemes in line with the functions assigned to them in the LG Act 2009; such guidance should have focused on providing them with (i) technical facilitation to advise UP, UPPC and WDC members on how to identify needs and design and implement activities that could address community needs in the education, health care and agriculture sectors, and (ii) capacity building in the collection and analysis of necessary data for a sound planning and informed decisions. Therefore, in the future (successor Project) scope of activities planned and implemented at the UP level should be broadened to include specific sectoral services. However, given the fact that most of these

services are currently assigned to line ministries, there will be need to develop and test partnerships arrangements between UPs and Upazila level line ministries departments.

Redefining Capacity Building

Capacity building, as started in an earlier section, has been defined in a narrow sense, mostly in terms of training of different actors. Experience, however, shows that it implies more than training. Capacity building of the UP will require a number of things, of which at least four appear to be very important: increased revenue assignment, devolution of functions, adequate staff support and coordination with other agencies providing services at the union level, particularly line departments of government. It is unlikely that the government will be easily persuaded to fulfill the first three conditions, at least in the short run. At present, the UPs lack proper power to raise resources locally or to provide services that the local people need; more importantly, weak staff support is a serious constraint to any efficient and effective delivery of whatever limited services it is entitled to provide under the existing legal framework. The secretary to the UP is the only paid full-time staff of the UP; he is overburdened with work. It is therefore crucial for sustaining capacity to enable UP have a minimum administrative structure (permanent staff and logistics) because capacity built into UP elected members or community members can be lost when those members are not re-elected. There is an urgent need to refocus capacity development effort on building the UP as a local government body that can articulate a 'strategic' development vision and carry out UP-wise planning and budgeting. Certainly it will require employment of more people and the UP Act of 2009 has provided for hiring an accountant to help the UP cope with heavy workload. The main problem is that many UPs remain handicapped because of resource constraint to hire a new employee. Nor is it likely that the government will be ready to pay the people holding the new position.

It is thus recommended that the successor project (UPGP) arrange for addressing the staffing issue, especially in respect of the accountant cum computer operator on the condition that the government will absorb them in regular service after the project tenure expires.

Encouraging Partnership

Capacity building cannot be achieved in isolation. It requires partnership/collaboration with others. At the local level, partnership may give a local council access, among others, to knowledge and skills; innovative and proven methodologies; networking and funding opportunities; replicable models for addressing community needs and managing resources; options for organizational management and governance; and strategies for advocacy, government relations and public outreach. To become effective and useful, the UP has to establish partnership with line agencies of government as well as NGOs. Both can help as well as cause constraints to the efficient working of the UP. Under the existing system, the main responsibility for providing important services such as health, education and agriculture, rests with line agency officials. These officials do not want to have much interaction among themselves, least to speak of communication with elected councils. There is, however, a strong case for collaboration between elected representatives and officials of line agencies. Such partnership is likely to bring change in the world view of the two groups of people – elected representatives and 'apolitical' civil servants. Both may undertake joint

programmes, sharing both costs and benefits and ensuring that those who are eligible for such services actually receive it.

Partnership between the UP and NGOs can also produce some important benefits. NGOs in Bangladesh compare favourably with their counterparts in many countries in terms of their involvement with the rural society. Many NGOs have experience in organizing training programmes and other capacity building activities such as mobilizing specific groups of people for some activities. Bangladesh has a strong NGO/CSO presence at the local level. Many of these organizations specialize in most of the activities that the UP is required to do. Developing some kind of relationship/partnership with other organizations may turn out to be mutually beneficial. But experience shows that there is not much scope for collaboration or coordination of programs undertaken by the UP and other organizations. NGOs have the ability to help UP improve its capacity to deliver services effectively. They can help the UP organize training sessions, make tax assessment and help collection, and deliver services. Examples of NGO-UP collaboration in some areas are not rare. But the reality is that the two very often work independently of each other, thereby risking duplication and wastage of resources.

It is recommended that part of the training responsibility be outsourced to the NGOs, making them responsible for training, as an experiment, members of the WDC and SSC. The existing system of using UTFs as trainers be scaled down as many of them lack the necessary skills and motivation to undertake what is required of them. The feasibility of delivering services on a cost-sharing basis by the UP and NGOs and by UP and line agencies of government should be also explored.

Strengthening Oversight

LGSP-LIC has advocated new mechanisms for making the UP accountable to the people for its activities. But the UP remains handicapped in enforcing the accountability of other agencies/ organizations which are also involved in delivering services in the locality. Traditionally, line agency officials responsible for providing major services at the local level have remained reluctant to establish any formal relationship with the UP, the primary grassroots-level representative body. One of the important objectives underlying the recent policy of housing different line agency offices within the UP complex is to ensure that they attend their offices regularly so that the people may have easy access to them and the services they are required to provide. Field data show that although the offices generally remain open now-a-days, it is difficult to ensure the presence of officials. In the absence of any requirement for the UP to report on the activities of line officials to their superiors at the Upazila level, these agency officials do not give much importance to it. They do not even take notice of the presence of the representatives probably for the main reason that the latter do not have any legal authority to propose/take any disciplinary actions against the defaulters. Many officials still do not use the UP building as their offices; rather they have separate offices scattered throughout the union. Many of them remain unaccountable for what they do. It is thus imperative that officials of line agencies be made accountable for their work. One way to do is to strengthen the standing committees of the UP.

One of the important goals underlying the LIC is to help activate the standing committee system of the UP. The concern with making the committees functional was a right decision. For a long time these bodies remained moribund for several reasons, of which a lack of any

clear cut account of their roles and responsibilities was the most important. This lacking still exists. The functions of the Standing Committees shall be regulated through by- laws, but they shall be determined at the general meeting of the Parishad, until the by-laws are prepared. No such by-laws have yet been prepared. Thus, activities of different standing committees are mostly done in an ad-hoc manner. In total, there are now 13 standing committees of which six have some responsibility for the delivery of services (Osman, 2011). However, there is no formal rule regarding the membership of these committees. As Osman observes:

In some unions, some SCs were found to have the departmental officials as the Member Secretary while in some cases, even in the same union, it was not practiced. Thus committee formation is rather done on random basis than on any formal guideline. Even the frequency of meetings also does not always conform to the Act. In most of the unions the SCs meet three monthly, in some unions it takes place bi-monthly but in some unions meeting takes place six monthly or even without any such fixed schedule. But such committees do not always receive support from concerned line departments which are responsible for providing services.

Relations between the standing committees of the UP and the line agencies of the government have not been properly defined. In some cases, officials have been made members – secretaries; in others, they have no representation in committees. It is not possible to depute union-level bureaucrats to the UP, as is the case with UZP. Agency officials are unlikely to accept an arrangement where their day to day activities will be closely monitored by public representatives. Probably the best approach would be to make the best use of the standing committees, allowing them to monitor the behavior of the officials so that they become responsible and responsive, and not to use them for project implementation. In other words, the ideal approach would be to use them as oversight bodies; not as executive agencies.

It is thus recommended that rules be framed immediately, specifying the composition and terms of reference (functions) of different standing committees. The rules should also specify the minimum time needed for their formation and delineate their relationship with others. It is suggested that the standing committees of the UP be developed more as oversight agencies charged with, among other, monitoring the performance of different line agencies at the Union level than as executive bodies.

APPENDICES

Appendix I ToR of the LGSP-LIC Final Evaluation

Background

i. Past and ongoing support by UNDP and UNCDF to local governance reform in Bangladesh

The UNDP and UNCDF have been strongly committed to supporting local governance reform in Bangladesh. It started first with the Sirajganj Local Governance Development Fund Project (SLGDFP) in 2000. Since 2007, the Learning and Innovation Component of the Local Governance Support Project (LGSP-LIC) was started with support from the European Union and Danida in addition to UNDP and UNCDF.

Local Governance Support Project

Since 2007, UNDP and UNCDF's support have linked into a broader national programme of local governance reform in Bangladesh; the Local Governance Support Project (LGSP), funded by a World Bank loan and directly implemented by the Local Government Division, Ministry of Local Government, Rural Development and Cooperatives. The objectives of the LGSP are to promote better local governance and improved local service delivery through i) the provision of additional resources as block grants to Union Parishads, ii) the provision of capacity development and accountability-enhancing measures to ensure that UPs are able to make good use of these resources and that central government is able to monitor performance, learn lessons and incrementally improve the national policy and regulatory framework for Union Parishads.

The LGSP is made up of five components: support to fiscal transfers; institutionalizing local accountability; supporting core local government capacity development; performance review and policy development and the UNDP and UNCDF-supported Learning and Innovation component (see below).

Learning and Innovation Component

The Learning and Innovation Component (LIC) of the Local Governance Support Project (LGSP) aims at promoting poverty reduction and MDG achievement through building the basic service delivery capacities of Union Parishads - the lowest tier of local government in rural Bangladesh.

The size of the project is 18.1 million dollars funded by the EU (11.8 million), UNCDF (2.5 million), DANIDA (2 million) and UNDP (1.8 million).

The project started on 17 September 2007 and is due to end on 31 December 2011.

The main objectives of the LGSP-LIC project are to deepen and broaden new approaches to local government reform developed and piloted under the previous project - the Sirajganj Local Governance Development Project (SLGDP). The goal of that project was to pilot systems and processes that would contribute to strengthening local governance through greater fiscal devolution, participatory planning and implementation and improved management and accountability of services in Bangladesh. The key intended innovations associated with the Sirajganj project include introducing devolved performance-linked funding; participatory planning; improved infrastructure and service delivery, enhanced accountability; improved measures for central government oversight of UPs; and new approaches to enhancing women's participation in local government.

The expected project outcome of the LGSP - LIC project is improved Union Parishad capacity for effective, efficient and accountable delivery of pro-poor infrastructure and services. Through its activities in six selected districts, the project is providing learning and innovation for replication in the wider LGSP by field testing 'second generation' innovations in financing policy and procedures for infrastructure and service delivery by Union Parishads. The project also took lessons from previous project and what is being scaled up in districts and replicated throughout the country under the Local Government Support Project.

Current implementation status of the Learning and Innovation Component

Output 1: Increased financial resources are made available to Union Parishads (UPs) in equitable and appropriate ways

Since 2008, four rounds of Supplementary Block Grants (SBG) have been disbursed to a total of 80 (first year), 174

(second year), 264 (third year) and 362 (fourth year) Union Parishads respectively. UPs undergo a financial audit

through the wider LGSP that grants them Expanded Block Grants and a second layer of performance assessment through 7 Minimum Conditions that ensure adequate operational standard of the Ups. Those compliant receive the SBG based on their population numbers. Recently LIC has introduced a new layer of performance criteria with 9 additional conditions that will give access to best performing UPs to top up grants for FY 2010-11.

Output 2: Improved public expenditure system for local government institutions are developed and used

The system of fund allocation monitoring is ensured through a process in which different subjects at different levels are involved. Participatory Planning sessions and Open Budget meetings are held at Ward and UP level respectively with the participation of citizens. Ward Development Committees (WDC) lead the planning process, and Para level planning has also been tested (Para level is below the ward). Schemes are screened by the Union Parishad Planning

Committee (UPPC) and approved by the UP. The Upazila is ensuring coordination through the Block Grant Coordination Committee as well as technical support in scheme design, while the Scheme Supervision Committee (SSC) ensures the quality of the implementation by the Ward Development Committee.

Moreover, the Union Facilitation Team (UFT) is present in every UP and formed by one member for each Ward (total of 9 members). Its role is to facilitate the participatory and transparent activities the UP is engaged in and also to provide training to the WDC, SSC and UP members. Such committees and mechanisms are now in place in 362 UPs. This is 100% of the currently targeted UP.

Output 3: Enhanced mechanisms for local accountability are established and implemented

A number of public dissemination mechanisms support this. The open and participatory nature of planning, the public discussion of UP budgets (Open Budget Meetings), and disclosure of accounts and scheme implementation

arrangements are elements of this. Each implemented scheme counts with an information billboard containing basic information that allows citizens to hold UPs accountable. Up to date, more than 4,500 Participatory Planning Sessions and 518 Open Budget Sessions were held, and more than 5,000 schemes have been implemented. As explained above different committees ensure different functions and different groups of people involved in the process creating a well rounded system of accountability and checks and balances. Basic trainings to UPs and committees ensure members are informed of their roles and responsibilities.

Woman Development Forums have been activated at Upazila level (41 Upazilas covered) regrouping all 3 women members of each UP. This forum provides them with a platform to hold other UP members, Chairmen and Upazila officials accountable for delivering on their respective roles as well as delivering services to the communities. This WDF mechanism has proven to act as a society watchdog and appears to be quite successful in the most active WDFs.

A comprehensive Information, Education and Communication strategy is being implemented targeting different levels of stakeholders both from the communities, civil society and government side through different tiers (from Ward to Central level).

Output 4: More effective framework for capacity development support is established

All 3,300 members of Union Facilitation Team (UFTs) persons have been mobilized and trained. All Community Committees and GoB officials at Upazila and District level that are involved in the LGSP-LIC process have been trained and sensitized. Refresher trainings are also regularly taking place. A 5-module training curriculum has been developed by the project and is being utilized in a harmonized way across all LIC UPs, covering areas of participatory planning, accountability mechanism and scheme implementation, but also basic UP functions and office management skills. The partnership with the NILG has been covered mostly through the LGSP's training of Upazila Resource Teams (URT) through NILG master trainers that, in LIC districts, complement the work of UFTs.

Output 5: Policy development is informed by lesson of programme implementation

The UP Act 2009 passed by the current government shows a clear imprint of the lessons of the LGSP-LIC experience with several new provisions. Ward level Committees have been institutionalized and more over these have been provided with planning functions. This is a major milestone in the legal framework surrounding UPs. The project is currently supporting the drafting of Rules that will further specify the provisions under the Act, looking at institutionalising some of the best practices piloted under LIC and its predecessor SLGDFP. The project is engaged in and preparing a number of studies that are field based research that aim are informing policy and guiding strategies for future interventions. These include the enhancement of UP revenue mobilization, the role of women in local development, analysing the legal framework surrounding UPs (drafting of UP rules and regulations), looking at deepening the participatory planning and open budgeting methodologies etc.

Management

The project is being implemented by the Local Government Division of the Ministry of Local Government, Rural Development and Cooperatives which is also responsible for the LGSP overall. A national project manager is responsible for the delivery and management of

technical expertise and ensuring that the project activities result in the achievement of its intended outputs in a cost-effective and timely manner.

A Steering Committee has been set up for the overall LGSP (that includes the LIC), comprising the relevant heads of department/government officers directly involved in programme execution and the relevant development partners: the World Bank, UNDP, UNCDF, EC, Danida. There are twice-yearly national LGSP workshops held by the Ministry of Local Government, Rural Development and Cooperatives (MLGRD + C) and designed to allow government to present progress, monitoring and evaluation reports generated through LGSP activities (including those of the Learning and Innovation Component), identify and discuss implementation issues and receive inputs to the policy making process from UP representatives, civil society and development partners in a manner that encourages broader ownership of the project.

Objectives and scope of evaluation of Bangladesh LGSP - Learning and Innovation Component

2011 is the last year of the project, there is a need to evaluate whether the project has achieved the objectives that were set for it and what broader potential impacts it may have created on the beneficiaries. With this assessment, it is intended to address the evaluation requirements for the Learning and Innovation Component as it nears the end of its implementation phase

Evaluation of project results achieved so far

The method used to evaluate project results will draw on the standard approach to formative evaluation set out in the UN Norms and Standards for Evaluation and the OECD's Development Assistance Committee's criteria on development evaluation. The assessment will be organized around five standard evaluation questions: relevance/quality of design; efficiency; effectiveness; potential impact and sustainability.⁵

In view of the limited time available for the exercise, a 'light' approach will be used focusing on the following questions and sub-questions.

⁵ For more information on the UN criteria, please see Standards for Evaluation in the UN system: 'The most commonly-applied evaluation criteria are the following: relevance, efficiency, effectiveness, impact, value-for-money, client satisfaction and sustainability' (page 13) - http://www.uneval.org/normsandstandards/index.jsp?doc_cat_source_id=4
For more information on the OECD DAC criteria, please see: http://www.oecd.org/document/22/0,2340,en_2649_34435_20865501_1_1_L00.html

1. Efficiency of implementation

- How well has the project been managed (availability of inputs, timeliness and cost-effectiveness of implementation)?
- To what extent have project outputs been achieved?
- To what extent have key stakeholders been involved in project management?

2. Socio-economic aspects and MDGs

- How far the project has played role in socio-economic aspect of beneficiaries
- How far the project has played role in the MDGs

3. Capacity building

- How far the project has contributed in capacity building of the communities and local government bodies

4. Policy

How far the project has contributed in policy reform?

5. Project's Effectiveness

- How well has the project achieved its planned results (first level outcomes)?
- To what extent has the project objective been achieved/is likely to be achieved?
- To what extent have the project's cross-cutting objectives been achieved?

6. Project outcome

To what extent is the project likely to contribute to its overall objective? To what extent has the project had/likely to have its outcome achieved?

Sustainability

What is the financial/economic viability of the services/results that have been supported?

What is the level of ownership of the project by target groups; how is this likely to change once the project is over?

To what extent are organizational or institutional changes introduced by the project likely to remain in place?

What is the level of policy support provided; to what extent are project results likely to be scaled up at government level.

For the desk phase, the method will include the review of:

- 1) key documentation including various ongoing and final study reports:
- 2) key outputs and studies from the ongoing Local Government Support Project, including results and documentation from LGSP Project Completion Review, which include the synthesis of ongoing information from the LGSP monitoring system as well as the results of studies that have been commissioned and publicised by the Local Government Division;
- 3) key outputs from monitoring and evaluation work carried out on the Learning and Innovation Component project more specifically, including inception reports, annual progress reports as well as any formal evaluations carried out to assess the impact of the block grant using household surveys to assess changes in key project performance indicators
- 4) key documentation used and produced during the design stage of the two successor projects - the Upazila Parishad and Union Parishad Governance Projects

For the field phase, the approach will include: structured and semi-structured interviews with key project stakeholders

- including key government decision-makers and project managers, beneficiaries of project support at the Union Parishad level, as well as representatives of communities, other local government officials, professional associations who are familiar with the project - as well as representatives of key development partners who are supporting the Local Government Support Project.

Deliverables

The key target groups for this report are Local Government Division, UNDP and UNCDF decision-makers and those involved in designing the successor project to the LGSP-LIC as well as the government of Bangladesh and the funding partners of the LGSP-LIC project.

The key deliverables for the exercise will be a short (40 page) report presenting the results of evaluation of the ongoing Learning and Innovation Component.

An inception report summarizing the methods to be followed and plan will also be prepared and will be used to guide interviews and discussions during the field phase.

A proposed timeframe for the task reads as follows:

- Finalization of the Terms of Reference- within October 2011 Selection of consultants - by 2nd week of November 2011
- Desk phase - 15-30 Nov, 2011
- Start of field phase - 15-30 November, 2011
- Presentation of preliminary conclusions to UNDP and UNCDF staff- 1st week of December, 2011 Submission of draft report for comments -15 December 2011
- Comments from LGD-UNDP-UNCDF- 20 December 2011
- Submission of final report - 27 December 2011

Composition of the Evaluation Team

It is proposed that an evaluation team be deployed - consisting of

- (a) Senior Researcher (An evaluation specialist), team leader
- (b) Researcher (One national consultant specialized in decentralization and local government reform)
- (c) Researcher (One national expert with expertise in the social issue including gender aspect)
- (d) Researcher (One international consultant specialized in fiscal decentralization/block grants)

Development Partners to the project like the EU, DANIDA, SDC, World Bank in addition to the Local Government Division (implementing the LGSP-LIC) will be called to contribute to this exercise with inputs starting from the desk review phase and their participation in review meetings during the field phase.

Senior Researcher (Evaluation specialist), team leader

Location: Dhaka, Bangladesh (some field visits)

Post level: Senior level

Post Classification: National

Duration of Contract: Six weeks

(Starting from 2nd week of November to 31st

December 2011)

Background

The Learning and Innovation Component (LIC) of the Local Governance Support Project (LGSP) aims at promoting poverty reduction and MDG achievement through building the basic service delivery capacities of Union Parishads - the lowest tier of local government in rural Bangladesh.

The size of the project is 18.1 million dollars funded by the EC (11.8 million), UNCDF (2.5 million), DANIDA (2 million) and UNDP (1.8 million).

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The main objectives of the LGSP-LIC project are to deepen and broaden new approaches to local government reform developed and piloted under the previous project - the Sirajganj Local Governance Development Project (SLGDP).

The goal of that project was to pilot systems and processes that would contribute to strengthening local governance through greater fiscal devolution, participatory planning and implementation and improved management and accountability of services in Bangladesh. The key intended innovations associated with the Sirajganj project including introducing: devolved performance linked funding; participatory planning; improved infrastructure and service delivery; enhanced accountability; improved measures for central government oversight of UPs; and new approaches to enhancing women's participation in local government.

The expected project outcome of the LGSP - LIC project is improved Union Parishad capacity for effective, efficient and accountable delivery of pro-poor infrastructure and

services. Through its activities in six selected districts, the project is providing learning and innovation for application in the wider LGSP by field testing 'second generation' innovations in financing policy and procedures for infrastructure and service delivery by Union Parishads building upon what was achieved in the previous project and what is being implemented throughout the country under the Local Government Support Programme.

Duties and responsibilities

- Documentation review
- Inception Report
- Leading the evaluation team in planning, execution and reporting (Inception workshop, kick-off and feedback meeting, debriefings).
- Deciding and managing division of labour within the evaluation team
- Use of best practice evaluation methodologies in conducting the evaluation
- Conducting the debriefing for the UNDP Country Office and other stakeholders
- Leading the drafting and finalization/quality control of the evaluation report
- Preparing the Management Response template in terms of Findings and

Recommendations

Deliverables

- Plan of action
- Periodical feedback on work progress
- Draft evaluation report
- Debriefings
- Final evaluation report

Technical Competencies

A consultant with relevant background and experience in the field of decentralization and local government particularly in learning and innovation activities within the context of public administration reform; training of civil servants and non-state actors; local government capacity building.

Behavioral Competencies

Strong analytical skills

Excellent communication skills, both written and oral

Ability of establishing and good working relationships to facilitate work goals Ability to demonstrate results-oriented approach to work

Strong networking and representational skills

Leadership and upholding of gender and human rights issues in the work place

Recruitment qualifications

Education and technical expertise	Experiences
Masters in Public Policy, Public Administration or relevant experiences in the field of development program; Ph. D. will be considered as an added advantage; Sound knowledge and experience in evaluation of development programmes/projects; Thorough understanding of key elements of results-based programme management; Strong capacity for data collection and analysis, as well as report writing;	Be a senior expert in the field of local governance and decentralization Have minimum 10 years of experiences in the relevant field; Have experience in conducting evaluation mission on local governance and decentralization issues in developing countries; Preferably have experiences in working with UN agencies/bi-lateral agencies Experience or knowledge of decentralization in Bangladesh and/or regional experience in the area of decentralization would be considered as an advantage;

EVALUATION

[The procuring UNDP entities will choose among one of these two evaluation methods prior to submit the have the Individual Consultant Procurement Notice. Once the evaluation method has been selected the other one shall be deleted to avoid any misunderstanding]

Individual consultants will be evaluated based on the following methodologies:

2. Cumulative analysis

When using this weighted scoring method, the award of the contract should be made to the individual consultant whose offer has been evaluated and determined as:

- a) responsive/compliant/acceptable, and
- b) Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

* Technical Criteria weight; 70%

* Financial Criteria weight; 30%

Only candidates obtaining a minimum of points (out of 70) in the Technical Evaluation, would be considered for the Financial Evaluation

Criteria	Weight	Max. Point
Technical	70%	70
Academic qualification	20%	20
Overall experience in the provision with services	15%	15
Experience in conducting evaluation mission on local governance and decentralization issues in developing countries	20%	20
Thorough understanding of key elements of results-based programme management and strong capacity for data collection and analysis, as well as report writing	10%	10
Working Experience with UNDP	5%	5
Financial	30%	30

Appendix II Team Composition

The evaluation team was composed of four members:

Nizam Ahmed is Professor of Public Administration at the University of Chittagong. He holds a Ph. D. from the University of Melbourne, Australia. Dr. Ahmed has authored/edited a number of books and published widely on local government, parliamentary behaviour and party politics in reputed international journals. He has worked as a consultant for UNDP, USAID, NDI and the World Bank.

Mohamed El-Mensi is Senior Partner at “Local Development International s.a.s” (LDI) - a consulting firm (Italy and USA based), and former assistant professor at the University of Tunis (Tunisia). During the last 20 years he has worked as staff at senior management level or consultant with multilateral development agencies (UNDP, UNCDF, WHO, World Bank) and governments in several developing countries, in the areas of decentralization reforms (in particular fiscal decentralization policy), local government financial management systems, and building local government capacity. Mr. El-Mensi holds a Master degree in Strategic Management from the University Law and Economics (Tunis, Tunisia) and a Master degree in Financial Information Systems from the University of Paris IX, France. Mr. El-Mensi is a member of the International Public Finance Institute.

Mobasser Monem is a Professor of Public Administration at University of Dhaka. His doctorate in Public Management is from the University of London. He has worked on various aspects of public sector governance with particular focus on public sector management, local governance and public policy. Dr. Monem has published extensively in academic journals at home and abroad on issues and areas relevant to public sector management, local governance, public sector service delivery and institutional capacity building. He has worked as a consultant for UNDP, UNICEF, DANIDA, DFID, WORLD BANK, JICA, KOICA, SIDA and USAID.

Salma A. Akhter is an Associate Professor in the Department of Sociology, University of Dhaka and holds BSS (Honours) and MSS degrees in Sociology from the University of Dhaka and an MPhil in ‘Sociology and Politics of Development’ from the University of Cambridge, UK where she is currently a PhD candidate. She has taught at several other universities including BUET either as part time faculty or guest speaker. She was a member of the Dissertation Award Committee, of ARNOVA's 31st Conference, 2002, Montreal, Canada. Ms. Akhter was in the Editorial Review Board of Journal of Nonprofit & Public Sector Marketing, USA and Canada in 2001. She has received University Grants Commission’s (UGC) award in Social Science in 2002 for a paper published in an international journal titled ‘Status of Women’s Leadership in Bangladesh: A study on Elected Women UP Members’. She is a co-author of a book titled ‘Human Security and Peace in South Asia’ to be published by the end of 2010. She worked for UNDP, WFP, World Bank, ADB, UNICEF, DFID, ITDG as a Sociologist, Anthropologist, Poverty Expert and Gender Specialist. Her area of interest and expertise covers a wide range of fields such as, Poverty, Gender, NGOs, Micro-credit, Health, Environment, WATSAN, Education, Indigenous community issues in Bangladesh.

Appendix III Functions of Union Parishad (UP)

1. Preparation of five years and various time limited development plan.
2. Development, protection and maintenance of rural infrastructure.
3. Related with education, Primary & Mass education
4. Implementation of activities relating to health& family planning.
5. Undertake necessary measures for development of agriculture, fishery and livestock and other economic development.
6. Undertake necessary measures for epidemic control and disaster management.
7. Assessment and recovering of tax, fee, toll, levy etc.
8. Accomplishment of necessary measures relating to resolution of family conflicts, women and child welfare.
9. Undertake necessary initiatives and provide assistance in games and sports, social development, cultural activities etc.
10. Undertake necessary measures in environmental development and conservation.
11. Implement responsibility for maintaining law and order as provided by the Government and undertake necessary measures.
12. Registration of birth and death.
13. Take care of public places, open spaces, gardens and play grounds.
14. Lightening the Union Parishad roads and public places.
15. Tree plantation and caretaking and protection of tress from stealing and damages.
16. Operation and maintenance of burial ground, burn place, public meeting place and other Government property.
17. Protection of unauthorized admission to public streets, highways and public places and prevention and abatement of nuisance on those places and their causes.
18. Prevent damages or destruction of public streets, highways.
19. Ensure collection, removal and management of dung and garbage.
20. Regulation of offensive and unsafe trades.
21. Removal and regulation of carcasses of dead animals and regulation of the slaughtering of animals.
22. Regulation of new house, building construction and reconstruction and dangerous building structures.
23. Management and maintenance of wells, water pumps, tanks, ponds and other sources of water supply.
24. Preventing the contamination of the sources of water-supply for drinking and prohibition of the use of water of wells, ponds or other sources of water-supply suspected to be dangerous to public health.
25. Prohibition and regulation of bathing, washing of cloths and watering of animals at or near wells for drinking water, ponds or other sources of water-supply.
26. Prohibition and regulation of the steeping of hemp, jute or other trees in or near to ponds or other sources of water-supply.
27. Prohibition and regulation of dying or tanning of skins within residential areas.

28. Prohibition and regulation of excavation of earth stones or other material within residential areas.
29. Prohibition and regulation of establishment of brick kilns, potteries or other kilns within residential areas.
30. Undertake necessary measures and provide all along support to Government to encounter fire, flood, hailstorm, earthquake or other natural disasters.
31. Preservation of list of widows, orphans, poor and destitute and help them.
32. Development and encourage the cooperative movement and rural crafts.
33. Undertake measures for additional food production.
34. Regulation and maintenance of cattle pounds.
35. Provision of first-aid centers.
36. Undertake measures for security, convenience or facilities for Union inhabitants.
37. Apply and encourage e-governance.
38. Extend cooperation to other organizations engaged in work similar to Union Parishad.
39. Any other responsibilities as directed by the Government.

Appendix IV Functions of Major UP Standing Committees

Education, Health and Family Planning

- To take necessary steps to ensure the attendance of the students in all the education institutes in the Union
- To try to solve any problem occurred in the education program
- To take necessary steps to ensure the attendance of the teachers in all the education institutes in the Union
- To supervise regularly the proper functioning of all the education institutes in the Union and take necessary steps in case of any irregularity
- To take necessary steps to ensure education for those elderly people who could not take education at early age, so that they can read, write and calculate
- To take necessary steps to ensure proper healthcare of the local people
- The committee will keep itself informed of the activities of the health and family planning workers in the local area so that they carry out their duty properly. If any irregularity is found, it will first advise them to solve the issue and then if necessary request the concerned senior officer to take measures against the responsible persons
- To aware the local people about the family planning matters and give publicity to birth control in the local area

Agriculture, Fisheries and Livestock

- Take necessary steps towards agricultural development of the UP area
- Motivate the people to use high quality seeds
- Arrange meetings to disseminate information on diseases and nursing of crops and ensure the presence of an officer of the agricultural department in those meeting
- Coordinate between the agriculture department and the local people to make sure that the people get proper service from the employees and officers of the agricultural department
- Fisheries and Livestock:*
- Motivate the people for fish farming
- Arrange training by officials of the concerned department for the fish farmers
- Arrange training on livestock rearing for the local people by the officials of the livestock department
- Inform local people on modern system of fish and livestock farming

Water Supply and Sanitation Committee

- Take necessary steps to ensure pure drinking water for the UP residents
- Take necessary steps to ensure healthy sanitation system for the UP residents

Rural Infrastructure Development, Protection and Maintenance Committee

- Supervise the progress of public works undertaken by the UP and to ensure that the work is properly done
- To monitor all works in the UP area undertaken by any department to ensure that the work is done properly

Social Welfare Committee

- Give publicity to the programs of the social welfare department

- Arrange trainings through the social welfare department

Maintenance of Law and Order Committee

- Take necessary steps to ensure security in the UP area
- To supervise the work of the dafadar and choukidar
- To inform the chairman about any threat to the security of the UP residents

Appendix V Key Outputs and Outcomes as of End 2011

Output	Expected Target (as per Prodoc)	Status of Achievement (as of end 2011) (including justification of under-achievement if any)
Output-1: Increased financial resources made available to UPs in equitable & appropriate ways	<ul style="list-style-type: none"> • Guidelines developed for ADP funding to UPs as block grant for 6 pilot districts (2007) • Performance assessment arrangements established and assessment teams trained • Performance assessments undertaken in a satisfactory and timely manner each year for all UPs in the 6 Districts • UPs qualify for performance funding in increasing numbers from year to year: 40%-60%-75%-85% • GoB adopts the performance-based methodology for UP funding nationwide • Other funding agencies cost-share and/or replicate the performance-based funding approach • Average annual increase of own revenue collection in all UPs 25% 	<ul style="list-style-type: none"> • Supplementary Block Grant (SBG), Performance Based Grant (PBG) and Transitional Block Grant (TBG) using guidelines/ manuals developed for UPs including Minimum Measurement Condition (MMC) Manual for UPs • 117 UPs got the Performance Based Grant (PBG) through the independent audit based on Performance Assessment Manual • 53% (80 UPs) got SBG in FY 2007-08 out of 150 UPs, 91% (174 UPs) in FY 2008-09 out of 191 UPs, 91% (264 UPs) in FY 2009-10 out of 291 and lastly 93% (362 UPs) in FY 2010-11 out of 388 UPs. • Performance Assessment Manual for Union Parishad developed and endorsed by LGD • 833 scheme in FY 2007-08, 1896 schemes in FY 2008-09, 2709 schemes in FY 2009-10, 3859 schemes in FY 2010-11, 297 schemes in FY 2010-11 as PBG and 587 schemes in FY 2011-12 as TBG total 10242 small scale schemes has implemented where 13569632 people benefited and total Block Grant amount is 690921347 BDT • Average 55% have increased the collection of UP revenue having LGSP-LIC.
Output-2: Improved public expenditure systems for UPs are developed and used	<ul style="list-style-type: none"> • Planning & Implementation guidelines developed and disseminated (2007) • Participatory planning operational in 30% of UPs in 2007 increasing to 100% by 2010. • All plans include provision for O&M and 30% of schemes are exclusively identified by women's groups (2007+) • Tendering undertaken at UP level and threshold for tendering increased to T100,000 (2007+) • Scheme Supervision Committees operational for 100% of all works (2007+) • Weatherproof notice boards covering 100% of schemes modified to include O&M requirements • Development of guidelines to DDLG and UNOs for UP supervision, mentoring and internal audit (2007) • Reduction of waiting time for in LGED approvals and design reduced by 30% (2007), • UCO support UFTs and UPs in 30% of UPs (2007) gradually increasing to 100% by 2009. 	<ul style="list-style-type: none"> • Project produced the harmonized LIC Operational Manual and endorsed by GOB and used by UPs. • UP Planning Guideline developed and submitted to LGD. 100% LIC UPs has organized participatory planning meeting at Para and Ward level. • 100% LIC UPs has reviewed their 5 years planned in yearly basis and about 100% schemes have O7M by UP/WDC • Over 30% schemes have prioritized by Women and also 30% fund earmarked for Women development. • All LIC UPs have maintained the procurement system follow the Public Procurement Rules 2009 (PPR 2009). • Total 3492 Scheme Supervision Committee (100%) organized and trained on how to ensure the quality of scheme implementation at ward level. • Scheme information board has hanged in each of every scheme's side. • Manual on Monitoring, Supervision and Inspection have developed and submitted to LGD for approval. • LIC UPs is getting the extensive support from LGED office. • 3492 UFTs have recruited and trained and support to UPs under guidance of UCOs, DF and DDLGs.
Output-3: Enhanced mechanisms for local accountability	<ul style="list-style-type: none"> • Dissemination of UP budgets and accounts in 30% of UPs in 20067increasing to 100% by 2010 • Scheme notice-boards erected for all 	<ul style="list-style-type: none"> • 100% UPs of LIC working areas have organized Open Budget Meeting. • All UP have established scheme notice board at the scheme site.

<p>are established & implemented</p>	<ul style="list-style-type: none"> UP-funded projects (2009) Regular (quarterly) Ward meetings facilitated by UP members in Xx% of UPs (2009) Xx% of UP standing committees meet on a regular basis with relevant line departments Xx% of UP Chairmen Fora meet on a regular basis with line departments (2009) Xx% of UP women members' fora meet on a regular basis with line departments (2009) 	<ul style="list-style-type: none"> 100% UPs have organized and facilitated ward level sharing meeting with community as quarterly basis. Almost 70% UP standing committee interact with concerned line department is quarterly basis. LIC did not support to form a another Forum because UP Chairman have the different Forum such as Bangladesh Union Parishad Forum (BUPF), Union Parishad Samity etc. Almost 100% WDF members attended the Quarterly WDF Meeting as quarterly basis.
<p>Output-4: More effective framework for capacity development support is established</p>	<ul style="list-style-type: none"> Strategy developed on LG Training, TNA procedures involving UPs, funding mechanisms, oversight, M&E and QA (2007) Strategic plan for capacity enhancement of NILG (2007) Xx NILG and DLG staff with skills and experiences in HRD for autonomous LGs (2007+) Xx Standard training modules reviewed and improved as appropriate for TOT delivery and responding to LG demands Procedures developed and implemented for UP demand led training funded through share of block grant (2008) UPs plan and budget for training and other capacity building (xx UPs implement own funded capacity building 2008+) Training evaluation mechanisms developed and implemented (2008+) 	<ul style="list-style-type: none"> LIC have provide the different training, coaching and counseling to UPs and maintain the quality through proper monitoring based on project M&E Strategy Please talk to UNDP/UNCDF or NPD Regarding Capacity Enhancement of NILG LIC have provided some demand driven training to UP including TOT to UFT members and Master Trainer. 100% (3492)WDC, 100% (388)UPPC and 100% (3492)SSC trained on how to organized the ward level participatory planning at ward level 100% (3492) WDC, 100% (388) UPPC and 100% (3492) SSC trained on how to ensure the quality of implementation through monitoring and supervision.
<p>Output-5: Policy development is informed by lessons of programme implementation</p>	<ul style="list-style-type: none"> Block grant regulations (2007), UP Procurement Regulations (2007), Research findings on UP block grant funding (2007+) Proposals for refined policy, legal and regulatory framework for UPs (2008+) Gender strategy for LG Adequate LGD/MIE database on Xx% of UPs Establish knowledge networking with UNDP regional centres 	<ul style="list-style-type: none"> Performance Based Block Grant regulation have finalized and endorsed by LGD. Drafted and distributed the LIC Operational Manual based on Public Procurement Rules-2009 (PPR-2009). Gender Policy Strategy for Women UP members (Reserve Seat) have developed and submitted to LGD. UP Rules and Regulations developed based on UP Act-2009 which is facilitated by LIC. Drafted Model Tax Schedule-2011 and established knowledge based networking with LGI and other concerned
<p>Output-6: Project support</p>	<ul style="list-style-type: none"> Project support team recruited Equipment/vehicle(s) procured Operations & maintenance costs covered Timely reporting and accountability of project funds Mid Term Reviews (2009) 	<ul style="list-style-type: none"> All project staff onboard except Public Financial Management Specialist from the beginning of the project. Project have procured six vehicles, 41 motor cycles, necessary computers, laptops and other materials as per prodoc. 100% (all 388) UPs have got the Physical Support Grant for procuring chair, table, bench, almira, file cabinet etc. Program and Financial report has developed quarterly basis or yearly basis. MID Term Evaluation have conducted by international and national consultants and submitted the report.

Appendix VI Types of Training Beneficiaries (2008, 2010 and 2011)

2008

Sl. NO.	Activities	Male	Female	Number of Total Participants
1	District Level Workshop	333	37	370
2	Upazila Level Workshop	1451	173	1624
3	Union Level Workshop	10369	5173	15542
4	TOT for UFT	401	283	684
5	UCO Training	34	0	34
6	Participated UP Resources Mobilization Workshop	21	6	27
7	Organized Exposure Visit	76	9	85
8	Orientation on newly selected Ups for 2008-09	1455	550	2005
9	Organized UPPC for newly selected Ups	12631	5194	17825
10	Training for WDC & UPPC on PP Session	22429	7296	29725
11	Computer Training for UCOs	40	1	41
12	UP Chairman Peer Learning Meeting at UPZ	314	14	328
	Total	49554	18736	68290

2010

Sl. NO.	Activities	Male	Female	Total
1	No. of Union Level Workshop Conducted	17275	7473	24748
2	TOT for UFT	789	404	1193
3	No. of Exposure Visit Organized	77	50	127
4	Organize workshop on piloting UP Revenue Mobilization at District Level	1040	388	1428
5	No. of Ward Level Review Meeting held on UP 5 Years Plan for FY 2010-11	142538	62226	204764
6	No. of Training arranged on PP Session for WDC & UPPC	13235	6000	19235
7	UP Chairman Peer Learning Meeting at UPZ	3048	538	3586
8	Workshop on Review of AWP/2010 and Preparation of AWP/2011 in 6 LIC districts	2106	1329	3435

9	No. of Refresher's Training arranged on PP Session for WDC & UPPC in 6 LIC districts	13876	4132	18008
10	No. of Refresher's Training arranged on Scheme Implementation, Monitoring and Supervission for WDC, UPPC & SSC in 6 LIC districts	19769	7850	27619
11	No of UP Workshop on Piloting UP Revenue Mobilization	2419	1144	3563
12	No. of Training arranged on Tax Assessment and Exploration of New Sources in 6 LIC districts	745	377	1122
13	No. of training arranged to WDC+UPPC+SSC on Scheme implementation , Monitoring and supervision of LGSP-LIC scheme for 2010-11	10086	4105	14191
14	No. of Vocational skill training to WDF Members at Upazila Level	114	1031	1145
15	No. of orientation training to UNOs+UCOs+UP Chairman+ UP secretaries on M & E strategy/ Tools of LGSP-LIC Project at District Level	816	25	841
Total		227933	97072	325005

2011

Sl. NO.	Types of Training	Male	Female	Total
1	No. of Exposure Visit Organized	77	50	127
2	Organize workshop on piloting UP Revenue Mobilization at District Level	3424	1628	5052
3	UP Chairman Peer Learning Meeting at UPZ	3048	538	3586
4	No of UP Workshop on Piloting UP Revenue Mobilization	2419	1144	3563
5	No. of Training arranged on Tax Assessment and Exploration of New Sources in 6 LIC districts	745	377	1122
6	No. of training arranged to WDC+UPPC+SSC on Scheme implementation , Monitoring and supervision of LGSP-LIC scheme for 2010-11	10086	4105	14191
7	No. of Vocational skill training to WDF Members at Upazila Level	114	1031	1145
8	No. of orientation training to UNOs+UCOs+UP Chairman+ UP secretaries on M & E strategy/ Tools of LGSP-LIC Project at District Level	816	25	841
Total		20729	8898	29627

Appendix VII Donors and Donation

Development Partners	Donation (US\$)
European Union (NIP)	7,458,959
European Union (FSBG)	4,695,654
UNCDF	2,510,000
DANIDA	2,448,320
UNDP	1,793,047
Total	18,905,980

Appendix VIII Output-Wise Budget Allocation of the Project (in %)

Output	2007	2008	2009	2010	2011	Total
Fiscal Transfer	88.13	55.46	52.67	46.30	41.97	49.23
Planning & Budgeting:	0.00	11.58	12.21	10.55	11.91	11.56
Local Accountability	0.00	4.34	6.44	6.72	8.92	6.71
Capacity Development:	0.00	7.08	19.90	13.82	10.96	14.08
Policy Support	11.87	3.63	2.51	5.93	7.52	4.77
Technical Support	0.00	17.90	6.27	16.68	18.72	14.15

Appendix IX LIC: Output-wise Expenditure

Sl. No	Out Put	Funding Responsibilities	Year (Actual Expenditure)					Total (US\$)	Total (BDT)
			2007	2008	2009	2010	2011		
1	Fiscal Transfer: Increased financial resources are made available to UPs in equitable and appropriate ways (Atlas Activity 2)	UNDP	14,631.52	30,179.30	157,443.15	210,620.07	197,192.89	610,066.93	42,094,618
		UNCDF	797,808.66	1,399,731.28	3,135,649.94	2,155,359.34	2,436,490.10	9,925,039.32	684,827,713
	Sub-Total		814,447.18	1,431,918.58	3,295,102.09	2,367,989.41	2,635,693.99	10,535,106.25	726,922,331
2	2. Planning & Budgeting: Improved public expenditure systems for local government institutions (UPs) are developed and used (Atlas Activity 3)	UNDP	-	476,889.21	349,038.10	558,813.95	322,428.31	1,707,169.57	117,794,700
		UNCDF	-	-	-	57,709.91	178,144.55	235,854.46	16,273,958
	Sub-Total		-	476,889.21	349,038.10	616,523.86	500,572.86	1,943,024.03	134,068,658
3	3. Local Accountability: Enhanced mechanisms for local accountability are established and implemented (Atlas Activity 4)	UNDP	-	146,680.65	169,243.42	239,556.40	774,852.79	1,330,333.26	91,792,995
		UNCDF	-	5,996.00	-	-	-	5,996.00	413,724
	Sub-Total		-	152,676.65	169,243.42	239,556.40	774,852.79	1,336,329.26	92,206,719
4	4. Capacity Development: More effective framework for capacity development support is established (Atlas Activity 5)	UNDP	-	195,293.97	582,129.50	449,629.45	612,010.26	1,839,063.18	126,895,360
		UNCDF	-	3,458.58	-	-	75,156.95	78,615.53	5,424,472
	Sub-Total		-	198,752.55	582,129.50	449,629.45	687,167.21	1,917,678.71	132,319,831
5	5. Policy Advocacy: Policy Development is informed by lessons of programme implementation (Atlas Activity 6)	UNDP	-	28,162.24	42,849.05	187,891.37	81,772.40	340,675.06	23,506,579
		UNCDF	-	-	4,358.61	(502.48)	-	3,856.13	266,073
	Sub-Total		-	28,162.24	47,207.66	187,388.89	81,772.40	344,531.19	23,772,652
6	Technical Support (Atlas Activity 7)	UNDP	108,655.32	547,609.98	166,865.74	703,934.32	516,702.32	2,043,767.68	141,019,970
		UNCDF	125,000.00	112,974.63	224,760.19	187,633.22	135,174.57	785,542.61	54,202,440
	Sub-Total		233,655.32	660,584.61	391,625.93	891,567.54	651,876.89	2,829,310.29	195,222,410
								-	
	Total		1,048,102.50	2,948,983.84	4,834,346.70	4,752,655.55	5,331,936.14	18,905,979.73	1,304,512,601
	Note 1USD=69 BDT as per prodoc								

Appendix X LIC: Head-wise Expenditure

Local Governance Support Project-Learning and Innovation Component (LGSP-LIC)							
Descriptions	Head wise Expenditure					Total (US\$)	Total in BDT
	Expenditure (2007-2011)						
	2007	2008	2009	2010	2011		
a	b	c	d	e	f	g=d+f	
Investment Grants	750,000	1,397,783	3,117,888	2,170,643	2,375,614	9,811,928	677,023,032
International Consultants (S/T) Backstoppings/Evaluations	33,369	7,457	19,429	110,161	239,020	409,436	28,251,084
National Consultants (S/T)	10,262	76,402	146,297	40,307	61,300	334,567	23,085,137
National Project Personnel Professionals/Admin. Support	2,059	21,235	92,594	204,210	254,068	574,167	39,617,496
Workshop/Training/Seminars/Study Tours	1,252	779,482	642,923	1,157,121	1,243,242	3,824,022	263,857,488
Study Research/Communications	0	71,235	186,229	239,063	499,657	996,185	68,736,744
UP Physical Facilities			424,938	171,797	151,020	747,755	51,595,081
Local Travel	12,416	75,926	47,168	78,621	61,484	275,616	19,017,530
Vehicle/Equipment O&M Vehicles/Office Eq.	2,308	388,371	-74,229	278,209	127,361	722,020	49,819,399
Miscellaneous	776	22,925	20,396	9,503	36,000	89,601	6,182,458
GMS	233,655	106,158	208,703	291,009	281,158	1,120,683	77,327,153
Total	1,046,098	2,946,975	4,832,337	4,750,644	5,329,925	18,905,979.73	1,304,512,601
Note 1USD=69 BDT as per prodoc							

Appendix XI List of Persons Met

KHALILNAGAR, TALA UPAZILA

Name	Designation
1. Pranab Kumar	Chairman
2. Morol Mizan	S.S.C
2. Dr. Sheikh Riaz Uddin	WDC
3. Hafez Abul Hossain	S.S.C
4. Salma	S.S.C
5. Selina Akter	S.S.C
6. Somor Sardar	WDC
7. Md. Nawser Ali	UCO
8. Liakot Ali Morol	U.P Ward-7 (Khalilnagar)
9. Bishwajeet Mondol	U.P Ward-5 (Khalilnagar)
10. Aminur Rahman Babur	U.P Ward-6 (Gangarampur)
11. Mehadi Hasan	U.P Ward-8 (Machiara)
12. Md. Abdul Karim Khan	U.P Ward-4 (Nalta)
13. Kajol Rekha	U.P Ward-8 (Machiara)
14. Md.Aminur Rahman	S.S.C
15. Goldar Mizanur Rahman	W.D.C
15. Bishnopad Kormokar	W.D.C
16. Md. Akram Hossain	U.F.T
17. Md. Abul Hossain	S.S.C
18. Saidur Rahman	UP Secretary

SREEULA, ASHASHUNI UPAZILA

NAME	Designation
1.	Chairman
2. Yasin Ali	U.P Ward-6
3. Abu Bakar Siddique	U.P Ward-7
4. Md. Shafiqul Islam	U.P Ward-3
5. Md. Kamrul Huda	U.P Ward-9
6. Md. Nazrul Islam	U.P Ward-2
7. Md. Ruhul Amin	U.P Ward-5
8. Md. Golam Bari	U.P Ward-8
9. Md. Akter Hossain	U.P Ward-4
10. Md. Shahidul Islam	U.P Ward-1
11. Dipali Rani Mondol	U.P Ward-1, 2, 3
12. Rumaya Akter	U.P Ward-4, 5, 6
13. Saroswati Sornokar	U.P Ward- 7, 8, 9
14. Azizul Islam	S.S.C
15. Md. Yasin Uddin	S.S.C
16 G M Asafur Rahman	WDC

17. Asaduzzaman	WDC
18. Akhil Chandra Boiragi	S.S.C
19. Md. Akteruzzaman (Ritu)	
20. Md. Abul Kalam	
21. Druvo Kumar	WDC
22. Snakar Prasad Gain	WDC
23. Md. Abul kalam	WDC
24. Md. Ataullah Chowdhury	S.S.C
25. Md. Nuruzzaman Sarkar	WDC
26. Md. Hafizur Rahman	S.S.C
27. Mosarraf Hossain	WDC
28. Mohibullah	UFT
29. Rozina Khatun	UFT
30. Kulsum Sultana	UFT
31. Drupodi Mondol	UFT
32. Aloka Rani Podder	UFT
33. Sankar Prasad Gain	UFT
34. Md. Kamal Uddin	WDC
35. Md. Abu Sayeed Sardar	
36. Md. Asadul Huq	WDC
37. Md. Alamghir Kabir	
38. Md. Abu Zafar	
39. Sree Kishori Sarkar	
40. Tilok Chandra Boiragi	S.S.C
41. Sannasi Chandra Sarkar	S.S.C
42. Md. Amirul Islam	S.S.C
43. Ranjeet Kumar Mondol	S.S.C
44. Lutfar Rahman	S.S.C
45. Md. Anisur Rahman	
46. Md. Uzzal Mahmood	WDC
47. Md. Taibur Rahman	WDC
48. Md. Mosaul Hasan	S.S.C
49. Md. Aminur Rahman	WDC
50. Md. Shahin Alam	WDC
51. Md. Abul kalam	S.S.C
52. Md. Shamsuk Morol	WDC
53. Md. Azizur Rahman	WDC
54. Md. Shahidul Islam	WDC
55. Nihar Sornokar	WDC
56. Ahsan Reza	WDC
57 Md. Khairul Islam	WDC
58. Ahsan Habib Shahin	S.S.C
59. Md. Mozammel Huq	WDC
60. Ms. Morjina Khatun	WDC
61. Golam Bari	WDC
62. Secretary of Union Parishad	

SATKAPAN UP, BUBAL UZP, HOBIGONJ

NAME	Designation
1. Md. Abdur Razzaque	Chairman
2. Md. Iqbal Hasan	Secretary
3. Md. Joynal Abedin	UP member
4. Md. Samsul Haque Akanjee	UP member
5. Md. Parvez Musarraff Hussen	UP member
6. Md. Shafiqul Islam	UP member
7. Md. Aklas Miah	UP member
8. Mst.Dilara Akhter	Women Member
9. Mst. Salma	Women Member
10. Mst. Ful Banu	Women Member
11. Mst. Urmila	Women Member
12. M. A. Awal	Collector
13. Bala Rani Sirkar	U.F.T
14. Md. Touhid Miah	U.F.T
15. Md. Abdur Rashed	W. D. C Member
16. Md. Manik Miah	S S C
17. Md. Aftab Uddin	Teacher
18. Onath Bandu	Teacher
19. Md. A.Jabbar	UP member
20. Md. Sirajul Islam(Siraz)	UP member
21. Anath Bandu Acharjay	Teacher
22. Md. A.Kayum	Local elite
23. Md. Farid Ahmed (Imam)	

LEMUA UP, SADAR UZP, FENI

NAME	Designation
Kamruzzaman Talukdar	Chairman
Md. jakir Hossen	Secretary
Nizam Uddin (Bacchu)	UP member, Ward 6
Md. Rafiqul Islam (Minto)	UP member, Ward 7
Hossain Molla	SSC
Kabiruddin	SSC
Kalimullah	WDC

BOX MAHMUD UNION PARISAD, PARSURAM UPAZILA

NAME	Designation
1. Ibrahim Khalil	Chairman
2. Sufia Khatun	Women UP member (4,5,6)

3. Md Sadek	UP member (9)
4. Saleh Ahmed	UP member (4)
5. Abul Kashem	UP member
6. Md Ayub Hossain	Secretary

DUMURIA SADAR UP, KHULNA

NAME	Designaiton
1. Mollah Mosarraff Hossain	Chairman
2.Md. Shahinuzzaman Shahin	UP Member
3.Tahmina Begum	UPWomenMember
4.Md. Sirajul Islam Biswas	UPMember
5.Gazi Abdul Aziz	UPMember
6.Md. Ismail Hossain	UP Member
7.Md. Izazur Rahman	UP Member
8.Md. Mostafa	UP Member
9.Arzina Begum	UP Women Member
10.Md. Ashraful Islam	UP Member

AUSKANDI UNION PARISHAD

NAME	Designation
1.Md.Usman Uddin Ahmed	Chairman
2.Mst. Rehana Begum	Women UP Member
3.Takmina Begum	
4.Mahmuda Begum	Women UP Member
5.Ariz Miah	UP Member
6.Amir Ahmad	UP Member
7.Omar Faruk	UP Member
8.Farhad Miah	UP Member
9.Abdus Subhan	UP Member
10.Naeemul Karim	UP Member
11. Abul Hossen	UP Member
12.Ali Azam	UP Member
13.Ali Hyder	UP Member
14.	UP Secretary

During the field visits the team members also met the DDLGs, DFs, UNOs, UCOs, UFTs to discuss the project specific issues. Besides, in all Union Parishads visited, the team members had the opportunities to meet numerous members of the local communities.

Appendix XII

Training Programs under LGSP in Different Years

Sl. NO.	Training Programs	2008			2010			2011		
		Tar	Ach	%	Tar	Ach	%	Tar	Ach	%
1	District Level Workshop	6	6	100.00	-	-	-	-	-	-
2	Upazila Level Workshop	41	41	100.00	-	-	-	-	-	-
3	Union Level Workshop	80	79	98.75	141	139	98.58	-	-	-
4	TOT for UFT	689	684	99.27	1233	1193	96.76	-	-	-
5	UCO Training	6	5	83.33	-	-	-	-	-	-
6	Participated UP Resources Mobilization Workshop	27	27	100.00	-	-	-	-	-	-
7	Organized Exposure Visit	2	2	100.00	4	4	100.00	4	4	100.00
8	Orientation on newly selected Ups for 2008-09	174	113	64.94	-	-	-	-	-	-
9	Organized UPPC for newly selected Ups	116	116	100.00	-	-	-	-	-	-
10	Training for WDC & UPPC on PP Session	1740	1384	79.54	-	-	-	-	-	-
11	Computer Training for UCOS	1	1	100.00	-	-	-	-	-	-
12	UP Chairman Peer Learning Meeting at UPZ	34	27	79.41	104	104	100.00	104	104	100.00
13	Organize workshop on piloting UP Revenue Mobilization at District Level	-	-	-	10	10	100.00	30	30	100.00
14	No. of Ward Level Review Meeting held on UP 5 Years Plan for FY 2010-11	-	-	-	1745	1745	100.00	-	-	-
15	No. of Training arranged on PP Session for WDC & UPPC	-	-	-	174	174	100.00	-	-	-
16	UP Chairman Peer Learning Meeting at UPZ	-	-	-	104	104	100.00	-	-	-
17	Workshop on Review of AWP/2010 and	-	-	-	50	50	100.00	-	-	-

	Preparation of AWP/2011 in 6 LIC districts									
18	No. of Refresher's Training arranged on PP Session for WDC & UPPC in 6 LIC districts	-	-	-	321	321	100.00	-	-	-
19	No. of Refresher's Training arranged on Scheme Implementation, Monitoring and Supervision for WDC, UPPC & SSC in 6 LIC districts	-	-	-	285	285	100.00	-	-	-
20	No of UP Workshop on Piloting UP Revenue Mobilization	-	-	-	33	33	100.00	33	33	100.00
21	No. of Training arranged on Tax Assessment and Exploration of New Sources in 6 LIC districts	-	-	-	4	9	225.00	4	9	225.00
22	No. of training arranged to WDC+UPPC+SSC on Scheme implementation , Monitoring and supervision of LGSP-LIC scheme for 2010-11	-	-	-	124	124	100.00	124	124	100.00
23	No. of Vocational skill training to WDF Members at Upazila Level	-	-	-	295	295	100.00	295	295	100.00
24	No. of orientation training to UNOs+UCOs+UP Chairman+ UP secretaries on M & E strategy/ Tools of LGSP-LIC Project at District Level	-	-	-	368	343	93.21	368	343	93.21
	Total	2916	2485	85.22	4995	4933	98.76	962	942	97.92

Appendix XIII Mainstreaming LIC Lessons into LGSP- II

LGSP-LIC: Purpose and Scope

LGSP-LIC was conceived as an experiment of a “second generation” local government reform in the pursuit of “improving Union Parishad capacity for effective, efficient and accountable delivery of pro-poor infrastructure and services”; to this end, it attempted to *deepen* the innovations tested in its smaller predecessor Sirajganj project (SLGDP), and *widen* their scope, with the ultimate objective of *mainstreaming* some of the Project’s underlying principles and modalities into the regular local governance system in Bangladesh. Indeed, a key lesson from the Sirajganj pilot was that Union Parishads (UPs) can perform well and accountably in basic infrastructure delivery, and so be entrusted with increased discretionary programmable resources, provided that adequate guidance is provided to them as to how manage and account for funds, and proper arrangements are in place to ensure local communities are given the opportunity to effectively participate in local resources planning and implementation process.

Sirajganj Local Governance Development Project (SLGDP) in brief (2000-2006)

The project was about *piloting systems and processes aimed at strengthening local governance through greater fiscal devolution, participatory planning and implementation and improved management and accountability of local services delivery*. To this end, the Project adopted the following strategies:

- Provision of block funding directly to Union Parishads on a transparent formula basis that provides greater financial autonomy and budgetary certainty and weakens patronage;
- Linking block grants to clear incentives (Minimum Conditions & Performance Measures) to motivate Union Parishads to improve their fiscal and managerial performance;
- Promotion of participatory planning, budgeting, implementation, and supervision of infrastructure and service delivery at Ward level;
- Provision of tailored training modules for UP staff in basic skills (office management, gender sensitivity, local revenue collection, policing, etc.);
- Support to networking and empowerment amongst elected women UP members;
- Analysis, documentation and dissemination of policy lessons to feed policy change and reform.

Major achievements and lessons learned from the project are:

- Direct fund allocation to the UPs is feasible. Direct block grant has proved to be feasible based on which Government of Bangladesh is providing direct block grants to all UPs from ADP.
- Community involvement in planning, implementation, supervision and monitoring ensures efficient use of resources and helps create ownership of the people.

- UPs have become empowered to undertake development activities of the community and turned out to be more participatory than ever before.
- Assessment of performance enhances capacity, transparency and accountability of the UPs.
- Flexibility in process, social awareness, monitoring and project selection criteria ensure women participation in the planning processes and assure that their priorities get reflected in the final selection of the scheme.

Building on the SLGDP lessons, the **LGSP-LIC** intended to refine and further test a series of modalities, including:

- *Increasing the size of funding*⁶ (supplementary block grant –SBG) to be made available to UPs in order to *test how well UPs can absorb added block grant allocation*;
- Further *testing a wider set of performance criteria* (minimum conditions of access and performance measures) beyond those required by the parent project (LGSP), and fine-tune the institutional arrangements for applying and monitoring these criteria;
- Further *refining of UP public expenditure management procedures and systems* (planning, budgeting, procurement, financial management);
- Further *trailing of local accountability institutional arrangements*, in particular the functioning of the Ward Development Committee (WDC), Scheme Supervision Committee (SSC), Upazila level Block Grant Coordination Committee (BGCC), and Women Development Forum (WDF);
- Devising the right *institutional framework for securing capacity development support*, facilitation and mentoring, and monitoring of established local governance structures (UPs, WDC, SSC, Upazila and District concerned agencies);
- *Testing the effectiveness of a simple block grant mechanism in generating seasonal employment* through local public investments; and where feasible
- *Testing the possibility of ‘localizing’ some poverty-reduction national programmes* (such as safety net and food security) to UPs, by entrusting their implementation to UPs through proper funding arrangements.

All the above arrangements and modalities revolve around ensuring good use of discretionary block grants to promote more effective, efficient, accountable pro-poor service delivery at UP level.

Achievements and Key Lessons Learned

There is a wide consensus among all stakeholders on the fact that the LGSP-LIC has - to a large extent -achieved most of its intended objectives, in particular by demonstrating that:

⁶ Adding to the Expanded Block Grant (EBG) received by UPs from the LGSP

- The lessons of Sirajganj Project are relevant across a broader range of local governments with much more limited support
- Mechanisms and arrangements developed and tested under the project proved to be effective, viable, and can be institutionalized nationwide; and indeed, the design of the LGSP II has already benefited from the lessons learnt from the Project as outlined below;
- UP absorptive capacity is high across the country: UPs, if provided with adequate support, can develop their capacity in good governance and sound operational skills to absorb and manage increased financial resources in a rather transparent, responsive and accountable manner while at the same time ensuring that local communities reap maximum benefits from local investments in both (i) improved basic infrastructure and (ii) employment opportunities as schemes are usually implemented through community contacting using local manpower and materials;
- Performance-based grants are highly appreciated by all local stakeholders for being predictable, directly accessible (without transiting by Upazila reducing the risk of delay and leakage as well as transaction costs), enabling UPs to deliver more than 10,000 basic infrastructure schemes, and motivating them to improve their performance in applying good governance practices in the management of public resources and responding to people's needs, and ultimately contributing to enhancing UP legitimacy as a local governance institution;
- It is feasible and viable to further the fiscal decentralization reform (assigning increased fiscal responsibility to UPs) while creating a space for national policy changes as attested by the enactment of the LG Act in 2009, and the scaling up nationwide (LGSP and LGSP II) of the LIC grant funding modalities;
- Infrastructure schemes funded from the Project grants can contribute to improving to some extent the living conditions of local communities as construction of rural roads and paths do facilitate communication and access to other services such as schools and health facilities or markets; they also can promote local economic development by generating employment and business opportunities for local manpower and contractors;
- The Ward Development Committee (WDC) has proved to be an effective platform to enhance the scope and level of community participation in local needs prioritization and schemes implementation; and it has also created a forum for social accountability and quality assurance of UP development activities;
- Women's "cause" and their effective participation in the administration of local affairs can be advanced if proper incentives and institutional arrangements are in place and their functioning is duly monitored.

From Piloting to Mainstreaming

Overall, LGSP-LIC has created the conditions of real mobilization and development of local social capital within UP localities through transparent, participatory processes in respect of planning, budgeting and implementation of schemes; nevertheless, the relevance and

effectiveness of the LIC Project should be appreciated, ultimately, in terms of how its lessons has so far informed further development of the (decentralization) national policy as it is reflected in the design of the LGSP II.

Indeed, many of the lessons learnt as a result of the implementation of the LIC Project during the period 2007-2011 have been already integrated into the design of LGSP II which is due to start in 2012. The following table highlights how LIC key lessons have been integrated in the design of second phase of LGSP (based on the Project Appraisal Document and Draft Operational Manual).

LIC Lessons	Integration into LGSP II
<p>Union Parishads (UP) have the capacity to absorb increased level of funding and use it in a responsive, effective fashion:</p> <p>LIC provided target UPs with discretionary block grants (SBG) in addition to their fiscal transfers (EBG) from the LGSP;</p> <p>LIC- UPs managed to effectively spend such increased level of funding on locally determined development needs through participatory planning and open budget processes - provided that they get adequate, targeted support;</p> <p>Additional funds were disbursed to UPs in a cost-effective manner via the existing financial channels without proven leakage.</p>	<p>The “absorptive capacity” lesson is reflected in the LGDSP II design as follows:</p> <p>The size of Block Grants to be provided by the project to all UPs is higher than it was under LGSP – starting at Tk 1.1 million in year 1 (2012) to reach Tk 1.8 million in year 5 (2016), i.e. by 12% every year.</p> <p>LGSP II will also adopt LIC approach to capacity building by further enhancing UP capacities in public resources management (planning, budget formulation and implementation, revenue generation, financial accountability).</p>
<p>Performance criteria attached to the grants (minimum access conditions – MC and performance measures- PM) proved to be an effective incentive for UPs to improve their performance in the area of generic governance (transparency, accountability) and service delivery (office opening, village court) and public resources management</p> <p>LIC-UPs performance has improved throughout the project (in 2011, almost all pilot UPs complied with the Minimum Conditions requirement);</p> <p>On average, LIC–UPs perform much better than non-LIC UPs in all performance areas:(core operations/committees, gender, own-source revenue mobilization, public financial management, and transparency and accountability);</p> <p>The conditions attached to the additional funding (SBG) did motivate UPs to improve their performance further as the MCs/PMs are seen as</p>	<p>LGSP II is expected to further deepen the (LIC) approach to “incentivize” UPs to improve their performance:</p> <p>The Project will continue with the minimum conditions modality: UPs will be required to meet mandatory criteria to be eligible for block grants (BBG)</p> <p>The Project will also adopt and scale up (nationwide) the performance-based grants mechanism (PBG) tested during the last year of LIC to “encourage UPs (already eligible for BBG) to improve their overall performance” and “trigger positive behavioural change among UPs to compete over specific achievements in service delivery and governance”</p> <p>The LGSP II PBG system will be grounded in the principles and practices advocated in LIC, namely: (i) sound incentives to UPs in terms of size of the reward and public recognition; (ii) transparency and fairness of the system in terms of performance measures, assessment process</p>

<p>positive obligations by the UP chair and members;</p> <p>To be fair and effective, the performance-based grant system requires that under-performing UPs get proper capacity building support to catch up with good performing UPs;</p> <p>In the area of revenue mobilization, performance requirements were put forward by UPs a strong argument to improve tax mobilization by “sensitizing” local communities to pay their due taxes to enable UPs get increased grants and to improve service levels);</p> <p>Also, the performance system has generated a sense of competition among neighboring UPs – contributing to better performance as all the UPs wanted to achieve higher scores, which they thought would ensure more future funds for them</p> <p>Implementation of performance-based grant system under LIC was facilitated by the perceived <u>transparency</u> and <u>fairness</u> of the system as well as its <u>simplicity</u>.</p>	<p>and rewards; and (iii) simplicity of the system design in terms of performance indicators, assessment process, allocation of grants and monitoring of results.</p> <p>In particular, the LGSP II (Project Appraisal Document, page 23) will use “a small set of indicators..., pertaining to each performance area (planning, budgeting, expenditure management, revenue management, and reporting), <u>based on LIC experience</u>”.</p> <p>Also, LGSP II recognizes the need to provide those UPS that do not qualify to the BBG or PBG schemes within a particular fiscal year with capacity support to help them close the performance gap in the subsequent years.</p>
<p>To achieve their intended purpose, the performance-based grants must be predictable in terms of their size, stability, and disbursement schedule.</p> <p>LIC supplementary block grants (SBG) were to some extent predictable in terms of their size and stability (UPs were assured to get the same amount of SBG during the project time frame)</p> <p>But there were uncertainty surrounding the sustainability of the system beyond the project life time</p> <p>LIC performance-based grants (PBG) were applied only during the last year of the Project</p> <p>Disbursement of grants was not quite predictable to the extent that release of funds to UPs was often delayed and did not conform to the established schedules;</p> <p>The key lesson from the LIC experience is that lack of predictability of the grant system may have negative impact on the quality of the planning-budgeting process as well as on the quality of the expenditure management.</p>	<p>LGSP II will adopt a series of arrangements to ensure that the grant system is predictable in all its aspects:</p> <p>25% of the total BBG pool will be distributed equally between all UPs irrespective of whether they meet the minimum eligibility conditions or not;</p> <p>Remaining 75% will be distributed to UPs that meet the eligibility conditions based on a formula that takes into account population and area size (hence achieving a measure of horizontal equalization) UPs will be informed in advance of their 3-year indicative BBG allocations BBG will be disbursed to UPs in two equal instalments in August-September and January-February of each year.</p> <p>The above measures, together with associated capacity building support, are intended to gradually enable UPs to undertake <u>genuine medium-term planning</u> and move from current practices (small scale ward-oriented labour-intensive schemes) to larger (UP-wide) and more sustainable investments.</p> <p>Also, regularity of the grant disbursement schedule is expected to help UPs improve</p>

	management of the annual procurement programme, and build sound, transparent and cost-effective business relations with contractors and suppliers (settlement of bills on time).
<p>LIC has been an effective mechanism in supporting the empowerment of women.</p> <p>LGSP-LIC has adopted a series of arrangements and modalities to empower women to voice their concerns and actively participate in the administration of local affairs:</p> <p>LIC required that 30% of UP spending must be on schemes that are proposed by women during the Ward planning process;</p> <p>LIC has also replicated the <u>women’s development forum</u> (WDF) at Upazila level (building on Sirajganj pilot) as a way to raise and respond to women’s concerns on a collective basis and to promote effective participation of women in local affairs and assist UPs in addressing women specific needs in the local planning and budgeting process;</p> <p>LIC has made mandatory the participation of women in all UP related committees and other institutional bodies, including the Block Grant Coordination Committee (BGCC), Up Planning Committee (UPPC), Ward Development Committee (WDC), Scheme Supervision Committee (SSC);</p> <p>Women members in the above committees hold effective responsibility ;</p> <p>Evidence from field investigation suggests that the provision of 30% women prioritized schemes was positively regarded by the UP members and the community; this may be taken as an indication that women are selecting “schemes that not only benefit women but the entire community”; this may be considered as an “innovative way of integrating grassroots level women in the planning process but also establishing the credibility of women UP members as responsible leaders”⁷;</p> <p>In sum, LIC gave women a greater voice in communities and in formal structures in which they can articulate their needs, and to a great extent legitimated their role in decision-making for the benefit of the community as a whole and increased their confidence in interacting with the Upazila</p>	<p>In order to further the position and role of women in the administration of local affairs, the LGSP II benefited from LIC lessons in this respect and endorsed most of its LIC measures , in particular:</p> <p>At least 30% of BBG are to be earmarked for financing women prioritized schemes/services at the Ward Shaba planning meeting</p> <p>At least one-third of the Ward Committee (WC) are to be chaired by elected UP women members;</p> <p>In all UP committees (WD, Scheme Supervision Committee) women membership will not be less than one-third of the total</p> <p>Elected women members will chair the WC on a rotational basis (out of the 9 committees, 3 will be always chaired by a reserved seat woman member);</p> <p>Also, LGSP II will replicate the Women Development Forum (WDF) institution (first tested in Sirajganj and refined under LIC) in all Upazilas – the Forum includes all female members of UP;</p> <p>The key role of the WD Forum is to promote women capacity to be active partners in the local development process, raise their voices and ensure that poor or vulnerable women needs are not missed in the local resources allocation; at the same time, the WDF though its Executive Committee will interact with Upazila Women Affairs Officer to provide better support to rural poor women.</p>

⁷ Khan, Zarina Rahman (2009) LGSP-LIC Study of Women’s Participation in Local Development in the LIC Districts (Dhaka; UNCDF). – quoted from De-Lay, Simon (2010) The Learning and Innovations Component of the LGSP Lessons Learned (Dhaka, UNCDF).

and Zila authorities.	
<p>Institutional and operational arrangements for the implementation of the UP investments contributed to enhancing participation and ownership, resulting in cost-effective, better quality schemes:</p> <p>LIC has empowered <u>Ward Development Committees</u> (WDC) to manage implementation of schemes including procurement and related payments;</p> <p>Each of the 9 WDC (in each UP) includes 7 members: 2 UP representative (including one women), the 5 other members being selected by the Ward community;</p> <p>Local communities were involved in the implementation process through the <u>Scheme Supervision Committees</u> (SSC), in charge of monitoring of ward level scheme implementation in respect of cost and quality of works;</p> <p>The Scheme Supervision Committee is made of 7 members – all of them nominated by ward communities most directly benefiting from the scheme.</p> <p>The WDC and SSC provided a framework for “countervailing centres of power within the UP” , making it harder for local elites to capture or control spending; Hence, to some extent, LIC has promoted a polite, yet effective, form of accountability through Ward level formal institutions which give the weak (poor, women, vulnerable) to make their voice heard.</p>	<p>LGSP II adopted arrangements similar to those advocated by LIC for the implementation of UP development activities:</p> <p>Responsibility for overseeing implementation of schemes is assigned to a <u>Ward Committee</u> (WC), 9 in each UP; the Committee can either act as the direct executor of small (mostly) labour intensive works schemes or as a procuring agent on behalf of the UP; the composition of the WD is quite similar to the LIC-WDC; Supervision and monitoring of scheme implementation is vested with the <u>Scheme Supervision Committee</u> (SSC); the composition of the SSC is the same as under LIC</p>
<p>District Facilitator proved to be an effective modality for providing institutional facilitation support to UPs as well as to the implementation of LIC activities:</p> <p>The system of facilitation support under LIC included several coordinated modalities, including:</p> <p>Deputy Director/Local Government (DDLG) , responsible for LIC implementation in his/her territorial jurisdiction;</p> <p>Upazila Cooperative Officers (UCO), responsible for providing proximate source of day-to-day support to the UPs;</p> <p>District Facilitators (DF), employed on a contractual basis by LIC (working within the District administration, attached to the DDLG), are at the heart of the support system – being</p>	<p>Building on LIC experience, LGSP II has adopted a system for institutional support centered on deployment of <u>District Facilitators</u> who are expected to carry out the following tasks (Operational Manual, p. 19):</p> <p>Assist DDLGs in carrying out monitoring and capacity building support activities for UPs and ensure effective implementation of the Project Support DDLGs, BGCC and the UPs in carrying out the specific responsibilities in regard to LGSP II implementation.</p> <p>Assist DDLGs and UNOs in monitoring UP performance</p> <p>Assist DDLGs in organizing district level coordination committee meeting to review the progress of LGSP II implementation, quality</p>

<p>responsible for coordinating LIC activities, and supporting UPs with the help of:</p> <p>Union Facilitation Teams (UFT) (established by LIC in each UP) to provide training and capacity building support to UPs on a demand-driven basis;</p> <p>DFs proved to be instrumental in providing adequate guidance and support to both government staff (UCO), UFT and UPs in capacity building and in coordinating a systematic process of monitoring and reporting from individual UPs (recording expenditure and securing compliance with LIC rules).</p>	<p>assurance of local capacity building training by URTs, support arrangements and peer learning activities;</p> <p>Support to DDLGs and UNOs to ensure that technical assistance is provided to UPs through line agencies (design of schemes)</p>
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